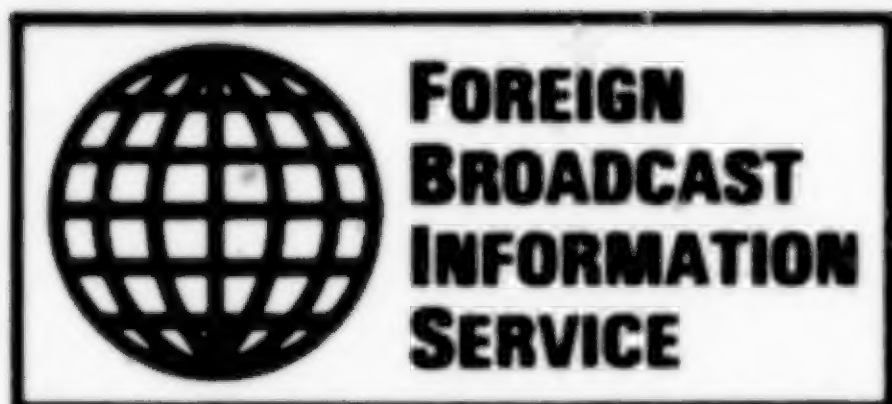




Daily Report

East Asia

FBIS-EAS-92-114
Friday
12 June 1992

Daily Report

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FBIS-EAS-92-114

CONTENTS

12 June 1992

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Hanabusa Welcomes U.S. Ruling on Dumping Charge [KYODO]	1
MITI Says Foreign Chip Share Rising Steadily [KYODO]	1
EC Demands Larger Market Share [Tokyo TV]	1
Suspension of Tank Road Construction Demanded [RYUKYU SHIMPO 11 Jun]	1
Yeltsin Decision Aids Russo-Japanese Steel Deal [KYODO]	2
JAL Seeks To Open Nagoya-Beijing Route [KYODO]	2
Tokyo To Send Investigation Team to Cambodia [KYODO]	2
Reportage on PKO Bill Passage Issue Continues	3
Opponents Vow Maximum Resistance [KYODO]	3
Parties Plan Session Strategies [KYODO]	4
Opposition Interpellation Limited [KYODO]	5
Miyazawa May Address Earth Summit by Satellite [KYODO]	6
Miyazawa To Skip Earth Summit To Attend Vote [KYODO]	6
Expresses Disappointment [KYODO]	6
Finance Minister Hails Yen's Gain on Dollar [KYODO]	7
BOJ: Wholesale Prices Drop From Year Ago [KYODO]	7
Ministry Wants To Keep ODA Growth Below 8% [KYODO]	7
Tokyo Sources: Rice Prices Unlikely To Change [KYODO]	7
Ministry: Farm Production Down in Fiscal 1991 [KYODO]	8
Declining Land Prices Said Still Too High [KYODO]	8
Survey Indicates Sagging Business Confidence [KYODO]	8
Vice Finance Minister Optimistic About Economy [KYODO]	10
Further Drop in Money-Market Rates Speculated [KYODO]	10
Plant Exports Expected To Decrease in FY 1992 [KYODO]	10
Panel Recommends Consumer-Oriented Policies [KYODO]	10

North Korea

Bumper Grain Harvest Reported in South Hwanghae [KCNA]	11
KPA Soldiers Assist at Cooperative Farms [Pyongyang Radio]	11

South Korea

Talks With U.S. on Beef Quotas Reach Impasse [THE KOREA HERALD 12 Jun]	12
Steel Industry May Charge U.S. With Dumping [YONHAP]	12
U.S. Forces Relinquishing Control of Pipeline [YONHAP]	13
Second Red Cross Meeting in Panmunjom Detailed [Seoul Radio]	13
Visitors Exchange Set for 25-28 Aug [Seoul Radio]	13
No Tae-u Asks DLP Group To Support Kim Y.S. [THE KOREA TIMES 12 Jun]	14
Chong C.Y. To Repay Loan From Subsidiaries [YONHAP]	14

SOUTHEAST ASIA

Cambodia

Troop Disarmament To Begin Without Khmer Rouge [SPK]	15
Journalists To Witness First Regroupment [Phnom Penh Radio]	15
Foreign Minister Warns of 'Inevitable' War [AFP]	15

Khieu Samphan Reiterates Stance on SRV Troops [Radio VGNUFC]	16
Reaffirms Position on Foreign Aid [Radio VGNUFC]	17
Sihanouk Leaves for Visit to Japan, China [Phnom Penh Radio]	18
Hun Sen Meets Indian Railway Company Director [SPK]	18
Japanese Envoy Presents Aid to Health Ministry [SPK]	18

Indonesia

Golkar Continues Wide Lead in Latest Vote Count [Jakarta Radio]	18
Sees Lead in Netherlands Embassy [ANTARA]	18
Acknowledges Decline in Margin [ANTARA]	19

Laos

Thai Envoy Discusses Prince's Planned Visit [Vientiane Radio]	19
Border Inspection Pact Signed With SRV Province [KPL]	21
Khamphoui Keoboulapha Meets Savannakhet Cadres [KPL]	21
Australian Aid for Education Given to Oudomsai [KPL]	21

Philippines

Aquino Speaks at Independence Day Celebrations	21
Addresses Diplomatic Corps [Quezon City TV]	21
Speaks at Manila Grandstand [Quezon City Radio]	22
Ramos Outlines Program, Strategy [Quezon City Radio]	23
Ramos Still Leads in Congress Count [Quezon City Radio]	30
New Senators Appoint Gonzales Senate President [Manila Radio]	30
Assassins Allegedly in Manila To Kill Ramos [Quezon City Radio]	30
Ramos Believes Japan Not To Revert to Militarism [Quezon City Radio]	30
Manglapus Rules Out Diplomatic Ties With Taiwan [PHILIPPINE DAILY INQUIRER 11 Jun]	31

Thailand

Anan Discusses Military, Elections, Cabinet [THE NATION 12 Jun]	31
Samakkhi Tham Renews Bid To Form Government [Bangkok Radio]	33
Samakkhi Tham's Athit Considers Leaving Party [BANGKOK POST 12 Jun]	33
Banhan Set To Replace Sombun as Chat Thai Chief [THE NATION 12 Jun]	34
Chamlong Considers Retiring From Politics [BANGKOK POST 12 Jun]	34
Group Appeals to Military Leaders To Leave [THE NATION 12 Jun]	35
Dailies Propose House Dissolution 10 Jun [THAI RAT 10 Jun, Etc.]	35
Academician Explains Legality of Anan Appointment [BANGKOK POST 11 Jun]	36
Effects of 'Bloody May' on Trade Viewed [BANGKOK POST 11 Jun]	36
Patent Law Amendment, U.S. Attitude Discussed [MATICHON 7 Jun]	37
Government Urged To Stop Backing Khmer Rouge [THE NATION 11 Jun]	37

Vietnam

Parts 1, 2 of Nguyen Duc Binh's Report Viewed [Hanoi Radio]	39
---	----

AUSTRALASIA

Australia

U.S. Reaction to Keating Plan Puzzles Government [AFP]	42
UN Commander 'Optimistic' on Cambodia Situation [Melbourne International]	42
Evans on UN Plan for Sarajevo, Airport Reopening [AFP]	43

Fiji

Rabuka Begins Review of Constitution, Labor Laws [Melbourne International]	43
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Japan

Hanabusa Welcomes U.S. Ruling on Dumping Charge

OW1206090092 Tokyo KYODO in English 0847 GMT
12 Jun 92

[Text] Tokyo, June 12 KYODO—Japan welcomes a U.S. Government trade watchdog body's rejection of an anti-dumping petition filed by two U.S. steelmakers against two Japanese exporters of new steel rails, a Foreign Ministry spokesman said Friday.

Commenting on Wednesday's ruling by the U.S. International Trade Commission (ITC), Masamichi Hanabusa told foreign correspondents, "We consider this a very welcome and fair judgment on the part of the American administration."

He added that the ITC's decision "is significant in view of the strong industry-to-industry collaboration between the Japanese and American iron and steel industries for the restructuring and modernization of the American industries."

The commission voted 4 to 2 to dismiss the petition filed on May 1 by Bethlehem Steel Corp. and CF and I Steel Corp., which alleged that Nippon Steel Corp, NKK Corp., and two European companies had dumped new steel railroad rails in the U.S. market at prices of up to 80 percent below those charged to domestic clients.

The commission ruled that the steel rails imported from Japan were of premium type and were not in competition with U.S. domestic rail products.

Hanabusa noted that from October 1984 through March 1992, Japanese industries had observed a voluntary restraint arrangement with respect to their exports of iron and steel products to the U.S. market.

The spokesman pointed out that Japanese iron and steel exports to the U.S. substantially declined from 4.6 million tons in 1984 to 2.8 million in 1991.

MITI Says Foreign Chip Share Rising Steadily

OW1206103492 Tokyo KYODO in English 1000 GMT
12 Jun 92

[Text] Tokyo, June 12 KYODO—Foreign-made computer chips have expanded their share on the Japanese market since last August, when a Japan-U.S. semiconductor trade agreement was signed, the Ministry of International Trade and Industry reported Friday.

The ministry said the foreign share in the Japanese semiconductor market for the first quarter of this year grew 0.5 percentage point over the preceding quarter to 16.6 percent.

Under a U.S. calculation formula, the foreign share for the same period stood at 14.6 percent, up 0.2 percentage point from the previous quarter, the ministry said.

The fact the foreign semiconductor share expanded under a severe economic environment reflects great efforts by Japanese users to give foreign makers larger access to the market, the ministry said.

The ministry expressed hope both Japanese and foreign semiconductor makers will join forces to further boost the market share for foreign suppliers.

The August agreement's provision said that foreign chip-makers can expect a 20 percent share of the Japanese semiconductor market by the end of this year.

EC Demands Larger Market Share

OW1206145192 Tokyo NHK General Television
Network in Japanese 1000 GMT 12 Jun 92

[From the "NHK News" program]

[Text] At an unofficial meeting between Japan and the EC on the issue of semiconductors, the EC side has firmly demanded that Japan apply its measures for expanding imports of U.S.-made semiconductors—which are based on a Japan-U.S. agreement on semiconductors—to the EC.

The meeting on semiconductors was held between representatives of the Ministry of International Trade and Industry and the EC on 11 and 12 June.

The EC official in charge of negotiations gave a news conference today on the results of the meeting.

According to the official, the EC side called on Japan to apply its measures for expanding imports of semiconductors—which will be taken under the Japan-U.S. agreement on semiconductors—and its measures for promoting purchases of semiconductors—which was agreed at the recent Japan-U.S. talks on semiconductors—to the EC.

In response, the Japanese side said that since its measures for expanding imports of semiconductors apply to all nations, Japan will not give the United States preferential treatment.

The EC side also called on Japan to allow EC specialists to attend Japan-U.S. talks to be held under the Japan-U.S. agreement on semiconductors. However, the Japanese side rejected the EC's request, saying that it is impossible to allow the EC to join Japan-U.S. talks which will be held under an agreement between Japan and the United States. The EC side said it intends to call on Japan to restudy possible measures which Japan refused to agree on with the EC.

Suspension of Tank Road Construction Demanded

OW1106162092 Naha RYUKYU SHIMPO in Japanese
11 Jun 92 Morning Edition p 2

[Text] Nago—The water source of the small water-supply system in Kushi Ward, Nago—194 households and a population of 615, headed by Tokuo Takaesu as

ward chief—was contaminated by an outflow of red earth caused by large-scale construction of the tank roads in the training fields of the U.S. Forces' Camp Schwab. In this connection, the Nago city government decided on 10 June to once again submit requests to the U.S. Forces, the U.S. Consulate, the Defense Facilities Administration Bureau, and the prefectural government for immediate suspension of construction work.

When it was disclosed on the morning of 10 June that the water source had been contaminated, an investigative team consisting of staff members of the city government, city assemblymen, and ward chief inspected the water source as well as the construction site of the tank roads. One after another the team members expressed dissatisfaction with the construction of the tank roads, which have many turns and twists as well as sharp rises and declines. They made the inspection without inviting reporters.

According to those concerned, although the construction site is covered with gravel, red earth will inevitably flow into the Kushi River, which is now used as the water source for Kushi Ward, if rain should continue for two or three days. Also, the slope has begun to crumble at several points.

Moreover, it has been observed that if construction should be carried on further, it is quite possible the water source for Kyoda Ward will also be contaminated. Kyoda Ward residents now depend on a small water-supply system for their daily water supply.

Since Mayor Tetsuya Higa is away on official business, Deputy Mayor Kasho Yoshimoto, who has inspected the construction site in his place, made the following remarks: "As long as the tank roads exist, our concerns about the contamination of water sources will never be eliminated. We will persist in our demands for the suspension of the construction work. This is the general consensus of the people of Nago."

Yeltsin Decision Aids Russo-Japanese Steel Deal

*OW1206082592 Tokyo KYODO in English 0749 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Russian President Boris Yeltsin's decision to allocate foreign credits preferentially to purchases of oil- and gas-producing equipment looks certain to smooth a 500 million dollar Russo-Japanese deal over seamless steel pipes, industry sources said Friday.

Negotiations over the deal have been under way since last November, when Russia's oil and gas corporation asked four Japanese steel companies and several trading houses to export some 600,000 tons of such pipelines to be used in recovering its falling oil output.

In negotiating export terms, the Japanese firms are now waiting for a Russian response to prices and other export terms and loan conditions they offered earlier, the sources said.

The sources said the Japanese parties are now looking for details of Yeltsin's decree, announced earlier this month, as they plan to send staff to Moscow to obtain more information.

Japan's steel exports to Russia, mainly steel pipes, totaled some 1.76 million tons in fiscal 1989. But such exports have plunged sharply since, totaling only 328,000 tons in fiscal 1991.

JAL Seeks To Open Nagoya-Beijing Route

*OW1206092592 Tokyo KYODO in English 0803 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Japan Airlines Co. (JAL), the nation's largest airline, asked Friday for Transport Ministry approval to operate two weekly flights between Nagoya and Beijing starting August 3.

JAL plans to run the flights every Monday and Thursday using a 275-seat DC-10.

Despite stagnant demand for international flights, passenger transport demand has been growing between Japan and China.

JAL currently operates 17 flights between Japan and China, originating from Narita, Osaka, and Nagasaki.

Tokyo To Send Investigation Team to Cambodia

*OW1206024392 Tokyo KYODO in English 0224 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Defense Agency Chief Sohei Miyashita said Friday Japan will send a team to Cambodia by the end of this month to investigate what role the Self-Defense Forces (SDF) can play in the United Nations peacekeeping operations there, in accordance with the provisions of the UN peacekeeping bill.

Miyashita, director general of the Defense Agency, made the remark in a meeting with reporters after a cabinet meeting.

"The first SDF team will be sent to Cambodia as soon as possible after the bill passes through the House of Representatives," he said, adding the agency will later send a second team to the Southeast Asian country.

Miyashita said the initial team will comprise the agency's civilian administrators and military officers, who he said will visit a number of places in Cambodia.

He said it is unnecessary for the agency to refrain from dispatching the investigation team to Cambodia until the UN peacekeeping cooperation bill becomes law following its passage through the Diet.

Miyashita said Prime Minister Kiichi Miyazawa has endorsed the agency's plan to send the team to Cambodia before the law is enacted.

The UN Transitional Authority in Cambodia (UNTAC) is deploying 22,000 military and civilian personnel to reconstruct the country following the 13-year civil war that ended last October.

The bill, approved in amended form by the House of Councillors on June 9, is expected to be passed by the lower house early next week.

Reportage on PKO Bill Passage Issue Continues

Opponents Vow Maximum Resistance

OW1106151992 Tokyo KYODO in English 1406 GMT 11 Jun 92

[Text] Tokyo, June 11 KYODO—A House of Representatives special panel voted amid a melee Thursday evening to endorse a bill that would authorize the dispatch of Japanese troops to join U.N. peacekeeping missions overseas.

The lower house will convene a plenary session Friday afternoon to take a final vote on the bill, which would open the way for Japan to send troops abroad for the first time since World War II and play a role in U.N. peacekeeping efforts in trouble spots such as Cambodia. Opponents of the bill have vowed maximum resistance, however.

If approved by the full lower house, the bill would become law since the second chamber, the House of Councillors, passed the measure earlier this week.

On Thursday, the Peacekeeping Cooperation Bill cleared the lower house's special committee on international peace and cooperation with the backing of the governing Liberal Democratic Party (LDP) and two centrist parties, Komeito and the Democratic Socialist Party (DSP).

As Yoshiro Hayashi, chairman of the committee, proposed the end to two days of committee deliberations, members of the Social Democratic Party (SDP) and the Japanese Communist Party (JCP) rushed to the committee chairman's podium in protest and called for more deliberations.

Following the resulting melee that lasted some 10 minutes, Hayashi declared the passage of the bill as a majority of the committee members voted for the measure by standing up, amid angry protests from opponents.

Noting the validity of the voting, Hayashi later told reporters in the Diet that he made himself heard by every committee member.

He also criticized the actions of members of the SDP, the No. 1 opposition group, and the JCP. Members of the two parties besieged Hayashi and put up banners that read "continue deliberations."

"Essentially, the floor must be quiet," Hayashi said.

SDP Chairman Makoto Tanabe, in a news conference, called for the dissolution of the lower house and a general election to solicit voter opinions about the peace-keeping bill.

"I will demand to Prime Minister (Kiichi Miyazawa) that he dissolve the lower house to ask eligible Japanese voters whether to approve the bill," Tanabe said.

Miyazawa, however, has said there is no need to dissolve the first chamber for a general election.

The LDP and the two centrist forces intend to take a vote on the measure at a lower house plenary session Friday to enable its quick passage into law before the current 150-day regular Diet session expires June 21, officials of the parties said.

But the SDP and the JCP are poised to repeat the vote-delaying tactic in hopes of scrapping the legislation.

At upper house plenary sessions between late last week through early Tuesday morning, SDP and JCP members resorted to the filibuster tactic to delay passage of the bill by shuffling to the podium to cast their ballots.

Members of minor opposition group Rengo Sangiin, which is backed by the nation's largest labor union group Rengo, joined in the go-slow effort.

The Peacekeeping Cooperation Bill passed through the opposition-controlled House of Councillors in the early hours of Tuesday morning with 137 votes in favor and 102 against. It was then returned to the LDP-dominated lower house for further debate and voting before its enactment.

The SDP has already filed a motion to dismiss Keisuke Nakanishi as chairman of the lower house steering committee and is reportedly ready to submit eight no-confidence motions, including the one censuring Prime Minister Miyazawa's cabinet.

If Social Democrats use the procrastinating tactic in the lower house, it would be the first such action in the first chamber's plenary session in five years. The technique was last used in April 1987 over a sales tax.

The peacekeeping bill is expected to eventually become law, political analysts said, predicting that it would be voted in early next week at the latest since the LDP commands a solid 278-seat majority in the 512-member lower house.

The combined strength of the LDP, Komeito and DSP stands at 337 in the lower house, dwarfing the SDP's 137 and JCP's 16.

The LDP watered down the bill to woo Komeito and the DSP into its camp to ensure its enactment prior to the scheduled close of the Diet session.

Under the new version, up to 2,000 personnel from Japan's Self-Defense Forces could join U.N. peace-keeping units involved in logistics, medicine distribution and other noncombat duties.

More hazardous operations—such as separating warring armies—would require the advance Diet approval and could not be undertaken without the passage of a separate law.

The amendments also call for a review of the bill three years after its enactment.

Amid foreign criticism for Japan's slow response to the Persian Gulf crisis, the cabinet of Prime Minister Toshiki Kaifu, Miyazawa's immediate predecessor, first proposed legislation in 1990 aimed at sending troops to assist U.S.-led multinational forces. The measure was killed, however.

The Kaifu cabinet proposed the current bill in September 1991 and since then debate on the bill has continued through three Diet sessions.

During the Gulf crisis, Japan paid as much as 11 billion dollars to multinational forces but came under criticism that Japan is willing to contribute money but not personnel to international peacekeeping efforts.

The only overseas deployment of Japanese troops since World War II was an SDF minesweeping task force sent to the Gulf last year.

Yasushi Akashi, the Japanese national who heads the U.N. Transitional Authority in Cambodia, has repeatedly urged Japan to send personnel and contribute to the peace and reconstruction process there.

Defense Agency Chief Sohei Miyashita said Thursday the Peacekeeping Cooperation Bill does not permit the dispatch of troops overseas for armed activities.

"The Self-Defense Forces can be dispatched but (the bill) is not for an armed delegation to engage in armed activities overseas," he said.

But China as well as North and South Korea have repeatedly expressed concern about the Japanese bill, fearing it would lead to a revival of a militarily strong Japan.

The peacekeeping bill is likely to be a major issue in the upper house regular election to be held in late July, political analysts said.

The SDP, the JCP and Rengo Sangiin are opposed to the peacekeeping bill, citing Japan's constitutional ban on the use of force to settle international disputes. Rengo Sangiin holds no seat in the lower house.

Parties Plan Session Strategies

*OW1206045292 Tokyo KYODO in English 0436 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—The House of Representatives opens a plenary session Friday afternoon to take a final vote on the United Nations peacekeeping cooperation bill following approval of the revised bill by a special panel of the lower house.

The ruling Liberal Democratic Party (LDP) and the centrist parties Komeito and the Democratic Socialist Party (DSP) plan to convene the session to take vote on the bill.

If approved by the full lower house, the bill would become law, since the House of Councillors passed the measure earlier this week.

The bill would clear the way for Japan to send troops from its Self-Defense Forces (SDF) on overseas missions for the first time since the end of World War II and play a role in UN peacekeeping efforts in trouble spots such as Cambodia.

Seiroku Kajiyama, chairman of the LDP Diet Affairs Committee, told senior LDP legislators that the governing party should endeavor to win the passage of the peacekeeping bill by Monday morning.

The LDP, Komeito, and the DSP expect the bill to be passed by the LDP-dominated lower house at the beginning of next week at the latest, Diet sources said. The current 150-day regular Diet session expires on June 21.

The peacekeeping bill is expected to eventually become law, political analysts said, since the LDP commands a solid 278-seat majority in the 512-member lower house.

The combined strength of the LDP, Komeito, and the DSP stands at 337 in the lower house, dwarfing the Social Democratic Party (SDP), which has 137, and the Japanese Communist Party (JCP) with 16.

The three parties joined hands Thursday evening in passing the bill through the lower house special committee on international peace and cooperation amid protests by the other opposition parties.

The SDP, the largest opposition party, and the JCP called for more deliberations on the bill, and claim that Thursday's voting was invalid.

The two parties are scheduled to attend Friday's session, but are determined to repeat vote-delaying tactics such as the "ox walk"—deliberately walking very slowly when going to cast a vote, in hopes of derailing the legislation, party sources said.

The SDP has already filed a motion to dismiss Keisuke Nakanishi as chairman of the lower house steering committee and is reportedly ready to submit eight no-confidence motions, including the one censuring Prime Minister Miyazawa's cabinet.

If the SDP adopts delaying tactics in the more powerful lower chamber, it would be the first use of such tactics in a lower house plenary session in five years. The technique was last used in April 1987 over a sales tax.

But LDP Diet Affairs Committee Chairman Kajiyama signaled readiness to counter the SDP's potential no-confidence motion against the Miyazawa cabinet by introducing a confidence motion.

At upper house plenary sessions late last week through early Tuesday morning, SDP and JCP members resorted to the filibuster tactics to delay passage of the bill by slowly shuffling to the podium to cast their ballots.

Members of minor opposition group Rengo Sangiin, which is backed by the nation's largest labor union group Rengo, joined in.

In a related move Friday, the SDP lower house legislators signed notices resigning their Diet seats and handed them to party chairman Makoto Tanabe.

Meanwhile, Shoji Oba, head of the Japan Teachers' Union, said the peacekeeping cooperation bill violates the Constitution.

Oba told a union central committee meeting that the existence of the SDF is against the Constitution and added that it should be diminished and reorganized in the wake of the end of the cold war.

At a news conference after a cabinet meeting, Home Affairs Minister Masajuro Shiokawa said that deliberations on the peacekeeping cooperation bill and political reform bills should be done separately.

Shiokawa said political reform bills are "joint responsibilities" of both the ruling and opposition parties, and urged the oppositions to convene an interparty political reform council.

Opposition Interpellation Limited

*OW1206140392 Tokyo KYODO in English 1333 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—After five hours of an opposition filibuster, the House of Representatives passed a motion Friday night limiting a question and answer session stalling passage of the United Nations Peacekeeping Operations Bill.

The bill would clear the way for Japan to send the Self-Defense Forces (SDF) personnel overseas on UN peacekeeping missions for the first time in postwar Japanese history.

A one-hour limit was placed on the interpellation by legislators from the Social Democratic Party (SDP) and the Japanese Communist Party (JCP) concerning a motion demanding the dismissal of Keisuke Nakanishi, chairman of the lower house's steering committee.

Nakanishi took a vote Tuesday on a motion bypassing the initial question-and-answer session at the plenary session and sending the bill directly to the house's special committee on international peace and cooperation, which approved the bill Thursday.

The vote to limit debate came at the powerful lower house's plenary session shortly after Vice Speaker Sei-ichiro Murakami invoked his authority to speed up parliamentary business and urged legislators to cast ballots "within 30 minutes."

The motion was approved with the backing of the ruling Liberal Democratic Party (LDP), Komeito and the Democratic Socialist Party (DSP). JCP legislators voted

against the motion, but the ballot box was shut down before some 100 SDP legislators cast their ballots.

At 7.43 P.M., Murakami ordered the ballot box closed. Murakami took over as acting speaker after Speaker Yoshio Sakurachi convened the plenary session at 2.14 P.M.

Angered at the decision to end voting, about 100 SDP lawmakers using the go-slow tactic known as a "cow walk" then stormed the speaker's rostrum in protest.

The plenary session then recessed and will reconvene shortly after midnight Friday.

The lower house plenary session is the final step before an overall vote is taken.

With the LDP's 278-member commanding majority in the 512-seat lower house, passage of the bill is virtually assured. But the SDP, JCP and United Social Democratic Party (USDP) have vowed to filibuster to demonstrate their undying opposition.

The opposition parties have denounced the bill, saying it violates the constitutional ban on the use of force to settle international conflicts.

In the morning, the SDP and the USDP stepped up their demand for the cabinet's resignation in a bid to force Prime Minister Kiichi Miyazawa to dissolve the lower house for a general election.

SDP Chairman Makoto Tanabe has urged Miyazawa to allow the public to render its direct judgment on the bill, which if passed would mark a turning point in Japan's defense policy.

All lower house SDP legislators heeded their leadership's call and handed Tanabe letters of resignation in an effort to force dissolution of the legislative body.

It remains to be seen whether the SDP leadership will formally submit the resignation notices. If they are turned over, the lower house might be forced to call a vote on the matter, political sources said.

Resignation of a Diet member requires approval at a plenary session of their respective chamber.

Political analysts say the lower house may not approve the resignation en masse, given the LDP's commanding majority to secure passage of the peacekeeping bill before the June 21 deadline.

SDP officials pledged to drag their feet in voting on each motion that it or the LDP submits after the plenary session reconvenes.

The plenary session will first vote on an LDP-sponsored motion calling for an end to opposition interpellation, Diet sources said.

It will then call a vote on another LDP-sponsored motion to end Diet deliberation on the peacekeeping bill.

Miyazawa May Address Earth Summit by Satellite

OW1206034192 Tokyo KYODO in English 0322 GMT
12 Jun 92

[Text] Tokyo, June 12 KYODO—Prime Minister Kiichi Miyazawa is considering speaking to the Earth Summit on television via satellite, as the chances of him going to Rio de Janeiro have dimmed due to an important vote in the Diet, the government's chief spokesman said Friday.

Unless the House of Representatives finishes voting by early Friday evening on a bill allowing the Self-Defense Forces to join in United Nations peacekeeping operations, Miyazawa may scrap plans to go to Rio and instead deliver a speech via satellite on Saturday to the world leaders at the summit, Chief Cabinet Secretary Koichi Kato said.

The opposition Social Democratic Party is expected to lead a filibuster over the controversial legislation that could last through the weekend.

"Of course the impact of the appeal to the international community would be markedly different if the prime minister is present in person...but the content of the speech would be the same," Kato told a regularly scheduled news conference.

Kato said Miyazawa will stay home if the Diet vote is in progress because it is important for him to show domestic political leadership as head of the three-party coalition cobbled together by his ruling Liberal Democratic Party with the centrist Komeito and Democratic Socialist Parties.

The coalition enabled the bill to win approval by the opposition-dominated House of Councillors earlier in the week.

Asked about the impact of Miyazawa's failure to go to Rio on international expectations for Tokyo's contributions to environmental protection, Kato replied that Japan will seek other arenas to display leadership.

Japan has targeted the environment as one area where it can expand its international role in the post-cold war era. Contributing to peacekeeping is another.

Miyazawa To Skip Earth Summit To Attend Vote

OW1206094092 Tokyo KYODO in English 0930 GMT
12 Jun 92

[Excerpt] Tokyo, June 12 KYODO—Prime Minister Kiichi Miyazawa opted Friday to skip the Earth Summit gathering of some 100 world leaders in Rio de Janeiro in order to attend a parliamentary vote on Japan's controversial United Nations Peacekeeping Cooperation Bill.

As a contingency plan, officials said they were considering beaming Miyazawa's seven-minute address to Saturday's meeting via satellite.

In the speech, Miyazawa is expected to pledge to spend 1 trillion yen of its aid budget on preserving the environment over the next five years.

Miyazawa's absence at the global summit meeting will "be a minus for Japan," Deputy Chief Cabinet Secretary Noboru Ishihara told reporters.

"I'm worried whether foreign countries will be able to understand the 'ox walk'," he said.

Ishihara was referring to the intentionally slow walk to the ballot box employed by lawmakers of the Social Democratic Party and the Japanese Communist Party to demonstrate their opposition to the bill that would allow soldiers to venture abroad for the first time since the end of World War II to join in UN peacekeeping operations.

As a result of the tactic, the vote was expected to spill over into the weekend.

Earlier in the day, Chief Cabinet Secretary Koichi Kato said that Miyazawa had put priority on demonstrating domestic political leadership as head of a three-party coalition cobbled together by his ruling Liberal Democratic Party with the centrist Komeito and Democratic Socialist Parties. [passage omitted]

Expresses Disappointment

OW1206133092 Tokyo KYODO in English 1313 GMT
12 Jun 92

[Text] Tokyo, June 12 KYODO—Prime Minister Kiichi Miyazawa decided Friday to forego the Rio de Janeiro Earth Summit gathering of more than 100 world leaders to oversee a vote on a controversial bill that would enable Japan's Self-Defense Forces to join in UN peacekeeping operations.

"I was very disappointed," Miyazawa told reporters after he made the decision.

Chief Cabinet Secretary Koichi Kato blamed opposition parties for forcing Miyazawa to skip the historic gathering, and pledged that Japan's absence will not detract from its attention to environmental problems.

"It is unfortunate we were not able to gain understanding from some opposition parties," Kato said in a statement issued as Social Democratic Party (SDP) and Japanese Communist Party (JCP) legislators shuffled slowly to the ballot box to show opposition to the bill at a plenary session of the House of Representatives.

Kato said the government is considering beaming Miyazawa's seven-minute address to Saturday's summit meeting via satellite.

In the speech Miyazawa is expected to pledge to spend 1 trillion yen in Japan's overseas aid for preserving the earth's environment over the next five years.

Kato speculated that the impact of the message on the international community may be weakened by

Miyazawa's absence, but said the premier wanted to demonstrate political leadership at home.

Miyazawa led a three-party coalition cobbled together by his ruling Liberal Democratic Party with the centrist opposition Komeito and the Democratic Socialist Party to force approval of the bill by the opposition-dominated House of Councillors earlier in the week.

If passed, the bill would allow Japanese ground troops to be dispatched overseas for the first time since the end of World War II.

The SDP and the JCP oppose the bill, saying it violates the Japanese Constitution which renounces the use of force to settle international disputes.

Finance Minister Hails Yen's Gain on Dollar

*OW1206021192 Tokyo KYODO in English 0208 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Finance Minister Tsutomu Hata on Friday said the yen's rise against the U.S. dollar represents a move in the right direction.

"(The currency market) is moving in a desirable direction. We would like to continue watching the trend," he said at a press conference following a regular cabinet meeting.

The dollar opened at 126.40 yen in Tokyo on Friday, down 0.98 yen from Thursday's close.

Hata, however, showed skepticism about lowering interest rates, saying, "people say the current level is low enough for businesses."

"I am not hearing any urgent calls for cutting interest rates further," he said.

BOJ: Wholesale Prices Drop From Year Ago

*OW1206100592 Tokyo KYODO in English 0917 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Japan's wholesale prices inched down 0.1 percent in May from April and 1.4 percent from a year earlier, the Bank of Japan said Friday.

The wholesale price index marked its first drop from the preceding month in three months but its ninth consecutive monthly decline from year-earlier levels, the central bank said.

May's drop stemmed mainly from lower import prices, which fell 0.4 percent in May from April and 6.3 percent from a year before due to the yen's advance against the dollar, a central bank official said.

The U.S. currency traded at an average 130.64 yen in May, down from 133.62 yen in April and 138.04 yen in May 1991.

Domestic wholesale prices leveled off in May from April and edged down 0.8 percent from a year before.

Wholesale export prices dropped 0.9 percent in May from the previous month and 2.0 percent from a year earlier, the bank said.

Wholesale prices of steel, textile, and chemical products also declined, reflecting a slowdown in the economy, it said.

"Prices continue a stable trend," the official told reporters. "The Japanese economy is also staying in an adjustment phase for a while."

In contrast, prices for petroleum and coal products rose because of a firm crude oil market, the official said.

Ministry Wants To Keep ODA Growth Below 8%

*OW1206092792 Tokyo KYODO in English 0911 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—The Finance Ministry wants to keep the growth of the government's foreign aid spending below 8 percent in the next fiscal year, ministry sources said Friday.

That is well below the 10 percent growth the Foreign Ministry is seeking for Official Development Assistance (ODA) for the year starting next April to show [word as received] Japan's international contributions.

The yen's appreciation against the dollar could push ODA spending growth above this year's level, the Finance Ministry sources said, adding that even if growth stays below 8 percent, ODA spending will top 1 trillion yen for the first time ever.

The politically sensitive foreign aid spending has grown steadily in recent years in line with Japan's pledge to boost such outlays, causing ODA spending to swell faster than overall spending in the past several years.

ODA spending growth topped 9 percent in fiscal 1989, rising 9.4 percent that year and in 1990, 9.7 percent in fiscal 1991, and 9.8 percent in fiscal 1992.

In light of the past spending growth, government sources suggested the Finance and Foreign ministries would focus on the 9-10 percent growth range in their fiscal 1993 budget negotiations.

The interministerial negotiations are expected to run into minister-level talks, which might be held June 22, the day before Prime Minister Kiichi Miyazawa's cabinet adopts a ceiling on budgetary requests for fiscal 1993, the sources said.

Tokyo Sources: Rice Prices Unlikely To Change

*OW1206085292 Tokyo KYODO in English 0840 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Producer prices of rice harvested this year will likely remain unchanged for the first time in three years, government sources said Friday.

The sources said political pressure to retain prices at which the government purchases rice from farmers is expected to build as the House of Councillors election draws near.

The Rice Price Council, an advisory organ of the Ministry of Agriculture, Forestry and Fisheries, is scheduled to meet on June 25 to come up with a recommendation on new prices.

The sources said there is a strong possibility that political pressure will override a proposal for cuts in rice prices by the ministry this year.

Agricultural organizations this year are demanding a hike in rice prices for the first time in seven years, claiming the present level of prices is below production costs.

The ministry sets prices of newly harvested rice on the basis of average production costs in the previous three years.

Before the previous House of Councillors election in 1985, the ruling Liberal Democratic Party retained rice prices, overriding a 3.8 percent reduction proposed by the ministry.

Ministry: Farm Production Down in Fiscal 1991

*OW1206111892 Tokyo KYODO in English 1048 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Japan's farm production in fiscal 1991, ended last March 31, fell 4.9 percent for the sharpest year-on-year drop in 10 years, the Agriculture, Forestry, and Fisheries Ministry reported Friday.

Rice and fruit production fell steeply because of damage from cool weather and typhoons in the year, the ministry said.

In fiscal 1992, farm production is expected to rise 6 to 10 percent, assuming that the rice crop will be about normal, it said.

Producer prices for farm produce in fiscal 1991 rose 3.8 percent from the previous year, due mainly to higher prices of apples and mandarin oranges.

In fiscal 1992, producer prices are expected to fall 2 percent, the ministry forecast.

Declining Land Prices Said Still Too High

*OW1206041992 Tokyo KYODO in English 0347 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Land prices in Japan declined markedly in urban areas in 1991 but still are too high for those earning average wages, a government report said Friday.

The annual report, "white paper on land" for fiscal 1991, issued by the national land agency, said the total value of

Japan's property assets stood at 2,338 trillion yen at the end of 1990, accounting for 32.9 percent of the gross national assets.

The report said land prices declined in 1991, notably in big city areas, falling 30 percent to 40 percent below the peak level.

It said there has been an expansion in regional areas where property prices have fallen or leveled off.

Residential areas accounted for 1.61 million hectares in 1990, or 4.0 percent of the nation's total land area of 37.77 million hectares.

Forests accounted for 25.24 million hectares or 67 percent of the total and farmland 5.34 million hectares or 14 percent, the report said.

The report said the area devoted to farmland has continued to shrink since 1986.

The report said prices of newly built condominiums in the Tokyo metropolitan area in 1991 averaged 59 million yen or 7.1 times the annual income of average wage earners, down slightly from 8.0 times in 1990.

In case of new houses, the average price was 8.2 times the annual income of wage earners, the report said.

It stressed the need for the government to bring down land prices further in order to realize its target of providing housing for wage earners at prices about five times their annual income.

The report said the ratio of property held by corporations to the total tract increased 1.7 percentage point to 13.7 percent in 1991 from 12.0 percent in 1985.

The ratio of land purchased by corporations in 1990 jumped to 44 percent from 26 percent in 1986, showing that companies have become more active in acquiring property since 1985, the report said.

The total value of real estate transactions in 1990 stood at about 59.1 trillion yen, with transactions by individuals amounting to 22.8 trillion yen and those by corporations 27.1 trillion yen, the report said.

Transactions involving the central and local governments amounted to 9.2 trillion yen, it said.

The number of real estate transactions in 1990 totaled two million, down from an annual average of 2.1 million to 2.3 million, the report said.

Survey Indicates Sagging Business Confidence

*OW1206084292 Tokyo KYODO in English 0800 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Business confidence in Japan has careened to the lowest level in five years, with the manufacturing sector still being awash in a sea of inventories, according to a Bank of Japan (BOJ) report released Friday.

But the report also indicated signs of recovery, showing major companies are expecting business conditions to be on the mend this autumn.

The BOJ's quarterly survey of business sentiment, called the "Tankan," said the business conditions index plummeted to minus 24 in May from minus 5 in the previous survey in February.

The level is roughly where the index was in May 1987, when the economy was creeping at the deepest point in the trough of the last recession, which was caused by the sharp upswing of the yen following the Plaza Accord in 1985.

But the picture depicted in the survey was not all bleak, as the index is expected to take the first upturn in the current downward cycle by autumn, recovering to minus 20 in September.

A BOJ official briefing reporters said the survey results underscored the central bank's assessment that the economy is now going through the toughest phase of the current downturn.

He said, "I don't think (the figures) allow us to say the bottoming out is around the corner."

But he added, "there are also some clues (to project a recovery)."

For the budding signals of the coming recovery, the central bank economist pointed to the prospective upturn of business confidence, projections of rises in corporate sales in the second half of fiscal 1992, and the peaking-out of inventory growth.

The survey of 7,448 companies, including 689 major corporations, shows the index for the level of manufacturing stockpiles edged up to 32 from 31, but it is expected to decline to 19 by September.

The figure represents the percentage of companies that see inventories as being in excess minus the percentage viewing them as too small.

The inventory overhang, which has depressed production, has been the largest drag on the economy.

The BOJ economist said although the bulging of inventories has obviously peaked, the level is still quite high.

"A considerable amount of adjustment will still be needed in the coming months," he said.

He said the majority of the companies the BOJ surveyed believe the inventory adjustment will be over in the early autumn.

But some economists in the private sector prognosticate a long drawn-out period of inventory adjustment.

Robert Feldman, an economist at Salmon Brothers Asia Ltd., "I'm skeptical that the inventory recovery will go fast. Even with the big production cutbacks we've seen so far, we still have a long way to go on inventory adjustment.

"I'll be surprised if we have a complete inventory cycle ending before early next year."

The survey also says major manufacturing companies are looking for a modest 3.0 percent pickup in sales in the second half of fiscal 1992 after a puny 0.4 percent rise in the first half.

They believe their profits will also turn to the positive side in the second half, rising a healthy 17.0 percent during the period following a 22.5 percent fall in the first half.

In the face of the sluggish domestic demand, the big manufacturers are planning to trim their capital investment by 8.9 percent in fiscal 1992, while major nonmanufacturing firms are calling for a 2.3 percent rise.

The survey also shows that a perception of tightness in the labor market has eased substantially, with the percentage of companies feeling there is an excess of labor minus that of companies which say there is a shortage rising to minus 7 from minus 15.

The BOJ economist said the sense of an easing reflects the steep paring down in production in the January-March quarter.

The official added, however, that the easing of the labor shortage is unlikely to continue.

The latest BOJ survey is likely to give additional ammunition to the growing ranks of those advocating further measures to boost the economy.

Since it indicates that neither the government's fiscal stimulus package announced at the end of March nor the BOJ's monetary easing have given business a shot in the arm, politicians like Shin Kanemaru and business leaders will likely step up their calls for additional measures.

"The problem is that we don't have any powerful engine right now to pull the economy out of the downturn," said Atsushi Miyawaki, a senior economist at the Japan Research Institute.

He said the expectations of an improvement in business conditions, as indicated in the survey, do not have a solid basis.

"They are, to a large extent, stemming from wishful thinking that the government will move to stimulate the economy again," he said.

Miyawaki said the government should add at least 2 trillion yen to fiscal spending in fiscal 1992 if it wants to put the economy on a solid path to recovery.

Vice Finance Minister Optimistic About Economy*OW1206090792 Tokyo KYODO in English 0859 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Japan's economy is firm despite a central bank report Friday suggesting further economic slowdown, a top Finance Ministry official said.

Vice Finance Minister Hiroshi Yasuda told reporters he does not feel the economy is a source of concern because businesses by and large see the economy bottoming out.

He was referring to the Bank of Japan's quarterly "Tankan" survey released earlier in the day, showing an erosion in business sentiment.

The survey results were in line with expectations, Yasuda said, pointing to signs of recovery in housing investment and personal spending as bright spots in the economy.

Yasuda also indicated the government will continue the 1.3 trillion yen project for expansion of social capital in fiscal 1993, funded partly by profits from the government sale of Nippon Telegraph and Telephone Corp. (NTT) shares.

He said the government will not give up the project since it seeks to stimulate domestic demand in its economic policies.

Yasuda also suggested the government will also use proceeds from the sale of its construction bonds to finance the project, saying there are uncertainties about the sale of the NTT shares.

Further Drop in Money-Market Rates Speculated*OW1206120892 Tokyo KYODO in English 1151 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—Speculation that interest rates are headed lower grew Friday with the release of the Bank of Japan's quarterly "Tankan" survey of business sentiment.

Brokers in the short-term money market wondered aloud if the five-year low in the business confidence index will pressure the central bank to nudge yen-denominated money market rates down by 0.25 percent this summer, said a money broker at a major commercial bank.

Reflecting such speculation, primary-market rates on three-month certificates of deposit, a benchmark for the open money market, slipped further Friday to a three-year low of 4.63 percent.

That is 0.09 percentage point lower than the 4.72 percent spot it clung to from mid-April to the end of May.

Some players said another cut in the official discount rate is likely since it would help the Bank of Japan temper the yen's inevitable appreciation against the dollar in currency markets.

The yen is widely expected to rise ahead of the July summit in Munich of leaders from the seven major economic powers, as Japan tries to demonstrate its effort to trim its huge trade surplus.

Tokyo's wish for a stronger yen has been backed in recent days by remarks from U.S. and French financial officials, helping push the Japanese currency to a four-month high against the dollar Friday.

Financial sources noted that a rise in the yen would also help stabilize domestic prices as it would make imports cheaper.

Although some brokers say a 0.25 percentage point drop in market rates has already been discounted, the Bank of Japan continues to dismiss such speculation.

In briefing reporters on the Tankan report, a central bank official stressed that the bank is still watching for the effects of the last discount rate cut of April 1 to permeate the economy.

"There is always a lag in monetary policy and we must patiently wait for the effects," the official said, adding the April easing has given companies benefits that do not surface in the Tankan report.

Plant Exports Expected To Decrease in FY 1992*OW0806100692 Tokyo KYODO in English 0823 GMT
8 Jun 92*

[Text] Tokyo, June 8 KYODO—Japan's exports of industrial plants in the current fiscal year, which end March 31, 1993, are expected to drop 26.5 percent from the year before to 8.53 billion dollars, the Ministry of International Trade and Industry (MITI) projected Monday.

The figure is predicted to fall below the 10 billion dollar line for the first time in four years because of slumping capital spending incentives among corporations amid the slower global economy.

Exports came to 11.61 billion dollars in fiscal 1991 that ended March 31, down 10.5 percent from the year before.

Those to Asia, which comprises more than half of the total, declined to less than fiscal 1991 levels as exports to Indonesia decreased, affected by that country's policy to cut foreign debts.

Export of chemical plants were notably weak, the MITI said.

Panel Recommends Consumer-Oriented Policies*OW1206115292 Tokyo KYODO in English 1114 GMT
12 Jun 92*

[Text] Tokyo, June 12 KYODO—A government panel called Friday for the establishment of administrative policies which place greater emphasis on the interests of consumers.

The panel on "improving quality of life" is a subcommittee of the Provisional Council for the Promotion of Administrative Reform, an advisory body to Prime Minister Kiichi Miyazawa.

The panel, which submitted its report to council chairman Eiji Suzuki, criticized government regulations for limiting the choices available to individuals and enterprises, as well as hindering market forces.

The report recommends in principle the abolition within 10 years of restrictions on entering into markets by new companies and investment in plant and equipment.

Regulations on prices should also be relaxed, if not eliminated altogether, the report said. The report singled out 13 areas in which regulations need to be eased.

They include regulations that allow only one taxi fare rate to be set in each local area, restrictions on production and sales licenses for liquor, sales retail licenses for tobacco, permission of nonlife insurance charges, and rules on discount fares for domestic airlines.

To facilitate such deregulation, the panel called for ministries to revise their licensing systems every five years in principle.

To lessen growing foreign criticism of exemptions to the antimonopoly act, the panel proposed revising the resale price maintenance system.

The panel also urged ending by 1998 all specified resale items such as cosmetics and medicines.

Other cartel systems allowing certain fields to be omitted from the antimonopoly act should be also abolished by the end of fiscal 1995 ending March 1996, the report said.

The report pointed out the need to establish a better medical consultation system to help give patients sufficient information about their treatment.

Regarding a Western-style product liability system which would hold manufacturers responsible for damage caused by their products, the report proposed the start of discussions by the social policy council.

The council, an advisory body to Economic Planning Agency Director General Takeshi Noda, is expected to complete its report this fall, officials said.

North Korea

Bumper Grain Harvest Reported in South Hwanghae

SK1206052992 *Pyongyang KCNA in English*
0418 GMT 12 Jun 92

[Text] *Pyongyang June 12 (KCNA)*—Bumper crops of wheat and barley have visited the rural communities in South Hwanghae Province including the Ongjin, Kangnyong and Yongyon peninsulas in Korea.

One to two more tons of wheat and barley, the first crops of this year, than last year are expected to come from each hectare.

Especially, the rural communities on the Yongyon peninsula will assuredly gather in over two more tons of wheat and barley from each hectare.

The farms there are now getting fully ready to reap wheat and barley planted as the first crops without loss of time and plant after-crops.

KPA Soldiers Assist at Cooperative Farms

SK1206110992 *Pyongyang Korean Central Broadcasting Network in Korean* 2200 GMT 8 June 92

[Text] Soldiers at the Korean People's Security Forces' unit to which Comrade Chon In-tok belongs are actively helping the people in the area near their unit through labor and materially and are protecting their lives and property, thereby, bringing the laudable tradition of unity between the army and the people into full bloom.

They sent to the people tens of thousands of [word indistinct] and tens of various kinds of farming implements that they had made during their off-duty hours. They also visited cooperative farms to survey acres of land and repair a bank some 10,000-meter-long.

During the rice transplanting season, they launched labor struggle, sounding the drum of economic agitation, thereby, contributing to completing the rice transplanting work on time and qualitatively. This is why the agricultural working people of the cooperative farms in this area are giving unstinted praise to the soldiers, calling them genuine People's Army soldiers who have been indoctrinated and fostered by our party.

This unit has explained and inculcated deep among soldiers the great leader's teachings and the dear comrade leader's words on highly displaying the laudable custom of unity between the army and the people. It also introduced to soldiers true stories about the anti-Japanese guerrillas and soldiers of the People's Army who defended with their lives the people's lives and property during the armed anti-Japanese struggle and the Fatherland Liberation War and, thus, led soldiers to follow their example.

Because they do not hesitate to make any kind of sacrifice only for the people, when an unexpected fire took place at the rice threshing site of a nearby cooperative farm the soldiers of this unit jumped into the flames and salvaged much of the property belonging to the cooperative farm.

During their off-duty hours the soldiers of this unit more assiduously fixed-up and maintained the houses of those who were killed by the enemy in the past, those who were killed in battles, and dependents of the People's Army soldiers in nearby villages in a sanitary and refined way. They also helped disabled veterans continuously bring

the flower of the revolution into full bloom. Thus, they are deepening the ties between the army and the people.

With the desire to contribute glorifying this year, the year of grand agriculture, as a year of bumper crops, in response to the respected and beloved leader's New Year Address of this year the soldiers of this unit visited cooperative farms around their unit and grasped in advance and in detail the status of their farming plans by season, labor forces, and farm machines and, based on this, helped the cooperative farms in a substantial manner.

South Korea

Talks With U.S. on Beef Quotas Reach Impasse

SK1206030692 Seoul THE KOREA HERALD
in English 12 Jun 92 p 8

[Text] Korea and the United States failed to reach agreement during the first round of their talks on beef quotas in Seoul yesterday.

U.S. and Korean negotiators were widely divided over such key issues as the liberalization of Korea's beef market and a raise in beef quotas during the period between 1993 and 1995.

U.S. chief delegate Nancy Adams, deputy assistant of the U.S. Trade Representative, was quoted as saying that even though the opening of the beef market is a "sensitive" issue to Korea, beef quotas should be raised considerably in anticipation of the liberalization of the beef market in 1997.

She maintained that importation of beef products does not always harm domestic livestock farmers, saying that the market share of imports has increased with the growth of the local beef market, and prices have not fallen, according to Korean delegates.

The U.S. delegation, they said, claimed that 1993-95 beef quotas should be determined based on actual demand in preparation for the full liberalization of Korea's beef market in 1997.

Korea chief delegate Kim Chong-yong, livestock bureau head at the Ministry of Agriculture, Forestry and Fisheries, replied that despite its social and political difficulties, Korea has strived to expand trade in agricultural products, including beef, and advocates free trade, according to the delegates.

Importation of beef products should be made on a gradual basis, not at a rapid pace in consideration of Korea's sagging economic situation and to avoid a negative social and political impact, Kim was quoted as saying. He explained that Korea faces economic difficulties such as sluggish exports, a business recession and a deteriorating trade situation.

Korea wants to raise 1993-95 beef quotas by 7 to 8 percent every year over the 1990-92 base quota in consideration of its economic growth rates, sources close to the talks said.

Under an agreement reached earlier between Korea and beef-exporting countries, Korea's beef import quota was set at 58,000 tons in 1990, 62,000 tons in 1991 and 66,000 tons in 1992.

In reality, Korea imported 84,000 tons of beef in 1990 and 125,000 tons last year. The estimate for this year is put at 132,000 tons, the sources said.

The U.S. side also called for a drastic overhaul of the international bidding system called the simultaneous sell and buy system (SBS), saying that the system should be operated toward the liberalization of the beef market, Korean delegates said.

The Korean side replied that the bidding system has to be streamlined on a gradual basis because of the public's strong opposition, referring to recent demonstrations over the proposed changes to the SBS they said.

Both sides agreed to decide the date and the venue of the next round of beef talks through diplomatic channels, a ministry spokesman said.

About 500 farmers staged a peaceful demonstration to step up opposition against the opening of the beef market in front of the government building in Kwachon where Korean-U.S. beef talks were being held behind closed doors.

To the beat of drums and gongs, the protesters chanted slogans against any increase in beef quotas.

They carried signs that read "Keep Hanwoo [Korean beef] from U.S. beef" and "Need no more pressure."

The ralliers demanded that the beef quotas be frozen at the current level, while the share of the beef products imported through the SBS be pegged at current 7 percent of annual beef quotas.

They contended that any concessions to U.S. demands in quotas and the SBS would virtually mean a full opening of the market and Korea's backward livestock industry should be given a reprieve in the market liberalization until Korean farmers can compete with rivals in developed countries.

Steel Industry May Charge U.S. With Dumping

SK1006034692 Seoul YONHAP in English
0211 GMT 10 Jun 92

[Text] Seoul, June 10 (YONHAP)—South Korean steel manufacturers protested U.S. dumping charges against their products but are now studying the possibility of bringing similar charges against U.S. imports in this country, industry sources said Wednesday.

The retaliatory action is being contemplated not only by Korea but Japan, Canada, Mexico and the European Community, among others, the sources said.

The Japanese steel industry, for instance, sent a protest note in May and undertook a public relations campaign in the United States while studying if it could bring dumping charges against 900,000 tons of U.S. steel products being imported to Japan annually.

Japanese steelmakers, who have formed joint ventures in the United States, are also asking their American partners not to use their funds if they took part in filing dumping charges, the sources said.

These countries are taking a hardline posture because the U.S. steel industry is filing "indiscriminate" dumping charges against most foreign products, the sources said.

U.S. Forces Relinquishing Control of Pipeline

*SK1106141692 Seoul YONHAP in English
1217 GMT 11 Jun 92*

[Text] Seoul, June 11 (OANA-YONHAP)—South Korea will take over possession and operation rights of the 450km Trans-Korea Pipeline from the U.S. forces from July 13, the Defense Ministry announced Thursday.

The Defense Ministry has a contract with Yukong Co. where the petroleum company will oversee all management of the pipeline until Sept. 30, 1996.

South Korea and the United States had agreed last March to hand over the possession and operation to the Seoul side from July this year.

Seoul will transport fuel necessary to support and meet the U.S. forces' operational and war reserve needs free of cost for the coming five years under the agreement.

The United States will pay an annual 4.7 million U.S. dollars for storage costs.

The transfer is the first of its kind since the two countries concluded the Status of Forces Agreement (SOFA) in 1966.

The Trans-Korea Pipeline spans over 1.62 million pyong (5.35 million sq. meters) connecting Pohang and Uijongbu through Taegu and Seoul. It was built by the U.S. forces in December 1970 and has six storage bases and assorted equipment.

Its transport capability is 36,000 barrels and can store up to 1.18 million barrels of oil.

Second Red Cross Meeting in Panmunjom Detailed

*SK1206035392 Seoul KBS-1 Radio Network
in Korean 0200 GMT 12 Jun 92*

[Text] At the second round of the South-North contacts between working-level Red Cross delegations convened at 1000 this morning in the conference room of the

Neutral Nations Supervisory Commission at Panmunjom, the South and North are discussing working issues for the exchange of homevisiting groups of the elderly, separated families, and art troupes.

At today's contacts, the South and North are compromising on the visiting period, whether or not to allow the visitors to visit the homes of relatives or pay homage at ancestral graves, and the number of performances to be given by the art troupes—issues over which the two sides differed at the first round of contacts.

At today's contacts, our side repeatedly stressed that the two sides should exchange lists of 200 separated families in advance in order to avoid such things as visitors failing to reunite with their separated families and provide opportunities for members of the art troupes, reporters, and support groups if they happen to be members of separated families.

At the same time, our side called on the North side to allow the visitors to stay and travel with their separated families during the visiting periods and visit homes and pay homage to ancestral graves upon request, while limiting the areas to Seoul and Pyongyang.

In addition, our side repeatedly proposed that the art troupes give two performances containing no material to provoke the other side and that the performance be relayed by TV and radio.

Meanwhile, in response to the North Korean side's proposal for excluding those who have committed crimes from the lists of visitors, our side insisted that it be withdrawn as it is feared to violate the humanitarian spirit.

Visitors Exchange Set for 25-28 Aug

*SK1206071492 Seoul KBS-1 Radio Network
in Korean 0500 GMT 12 Jun 92*

[Text] The North and South have agreed to exchange visiting groups of old parents and art troupes for four days beginning 25 August.

At a working-level Red Cross contact held today in Panmunjom, North and South Korea also agreed to discuss this matter further on 22 June. Reporter Chong Chang-hong reports:

[Chong Chang-hong] South and North Korea agreed at today's contact to exchange separated family members for three nights and four days, 25-28 August.

The two sides also agreed to air performances by art troupes on television and radio. They also agreed that the South will appoint the vice president of the Red Cross Society as head of the South's delegation and that the North will appoint the vice chairman of the Red Cross Committee as head of its delegation.

However, the two sides failed to agree on how to arrange those visits, the number of performances, and the number of separated family members, the list for which

will be exchanged in advance. Our side repeatedly proposed at today's contact that lists of 200 separated family members be exchanged in advance to ensure that visitors meet their separated family members and that members of the art troupes, reporters, and the support staff, if they happen to be separated family members, be allowed to meet their relatives.

In response, the North proposed that lists of 130 visitors be exchanged. It had originally insisted on lists of 100 visitors. Still, it opposed the South side's proposal to give members of art troupes, reporters, and support staff opportunities to meet their relatives.

The North side also opposed our side's proposal that the visitors be allowed to stay in their relatives' houses or pay homage to their ancestral tombs if they are located near Seoul or Pyongyang.

In addition, our side proposed that two performances be given because the visiting period is short and because the performances are to be aired live on television and radio. However, the North side insisted on four performances for each side.

In response to the North Korean proposal that those who have committed crimes on the other's territory be excluded from the lists of visitors, our side insisted that it be withdrawn because this may violate the humanitarian spirit. However, the North side persisted in its original demand, saying that the South's insistence will complicate matters.

Accordingly, both sides decided to hold the third working-level contact and continue negotiations on the specifics, which have not been agreed upon, on 22 June at the conference room of the Neutral Nations Supervisory Commission at Panmunjom. This has been a report from the National Unification Board.

No Tae-u Asks DLP Group To Support Kim Y.S.

*SK1206052192 Seoul THE KOREA TIMES
in English 12 Jun 92 p 2*

[Text] President No Tae-u yesterday asked leading secretariat members of the ruling Democratic Liberal Party [DLP] to devote themselves to uniting all party members for victory in the December presidential election.

The President, who concurrently heads the DLP, told them to take the lead in achieving total unity around presidential candidate Kim Yong-sam.

"If you, the core members of the ruling party and professional political party bureaucrats, take the lead, two million party members will follow you, and then the people will entrust the next government to us," he said.

No was meeting the cadre members of the DLP at a lunch he hosted at Chongwadae. Many of them, who were members of the defunct ruling Democratic Justice Party, were said to have opposed Kim, the former opposition leader, as the DLP's standard-bearer.

He said that Kim is the "man who can handle state duties and it is the natural course of history for him to conclude the democratic reforms started with the June 29 Declaration (in 1987), in light of his contributions to democratization in Korea."

"I think that Kim is the right man who can prepare for national unification on the basis of grand unity of all ruling camp forces," he told the party members.

Chong C.Y. To Repay Loan From Subsidiaries

*SK0906134092 Seoul YONHAP in English
1220 GMT 9 Jun 92*

[Text] Seoul, June 9 (YONHAP)—Chong Chu-yong, founder of Hyundai Business Group and executive chairman of Unification National Party (UNP), and his family members said Tuesday they are selling off 151.4 billion won (192.3 million U.S. dollars) worth of Hyundai stocks.

The decision is from a ruling by the Office of Bank Supervision (OBS) that Chong and his relatives must pay back all of their 183 billion won loan from Hyundai subsidiaries.

The OBS claimed that Hyundai companies misused their bank loans by relending them to Chong and his family for their personal use, mostly for operating the UNP. It ordered bank restraints on Hyundai companies until the loans were paid back to the companies.

Chong Chu-yong, his three sons, and his brother Chong Se-yong will let go 12.61 million shares of Hyundai Heavy Industries Co., valued at 151.4 billion won.

The Hyundai founder is to give up 72 billion won's worth of stocks, lowering his stock ownership from 33.8 percent to 19.51 percent, officials said.

The loans are likely to be paid back in full by end of August, they said.

The shares will be sold among 170,000 employees of Hyundai's 41 subsidiaries next month, according to the officials.

Cambodia

Troop Disarmament To Begin Without Khmer Rouge *BK1206081292 Phnom Penh SPK in French 1120 GMT 11 Jun 92*

[Text] Phnom Penh 11 Jun (SPK)—The second phase of the UN peace plan in Cambodia—the cantonment and disarmament of 70 percent of all troops—will be effective on 13 June, but will not include the Khmer Rouge. This was announced by Mr. Yasushi Akashi, head of the UN Transitional Authority in Cambodia (UNTAC), on Wednesday, according to AFP.

The persistent refusal of the Khmer Rouge to abide by the peace plan they had signed, however, might lead the United Nations "to reconsider the situation seriously," warned Mr. Akashi following a meeting in Phnom Penh of the Supreme National Council (SNC) grouping all four Cambodian factions.

The disarming and cantonment of the troops will be launched as planned on 13 June with "three of the four factions," he declared. These factions are the Phnom Penh government and the two noncommunist opposition movements: the supporters of Prince Norodom Sihanouk and those of former premier Son Sann.

The Khmer Rouge—the military backbone of the Cambodian opposition coalition—sent a letter to the United Nations declaring that they were "not in a position to allow the UNTAC forces to proceed with the deployment in the zones under their control," added Mr. Akashi.

The Khmer Rouge demand that the United Nations first verify the withdrawal of Vietnamese forces from Cambodia, which was carried out in September 1989 but contested by them. They also demand that the SNC assume "much greater powers and authority, especially in regard to the Phnom Penh administration," said the UNTAC chief.

The Khmer Rouge also set two other conditions, one on changes in the electoral law to prevent the Vietnamese residing in the country from voting, and the other on aid for Cambodia's reconstruction.

The United Nations has found no traces of Vietnamese military presence in Cambodia.

Mr. Akashi proposed that the right to vote should be given to people over the age of 18 who were born in Cambodia. "I am glad that the SNC has accepted these proposals," he said.

Elections are scheduled by the peace plan for April or May 1993.

The UNTAC chief added that the second phase would be carried out in such a way as not to disrupt the military balance among the factions. However, he refused to be

drawn on the possible consequences should the Khmer Rouge stick by their refusal to participate in the second phase.

"UNTAC," he said, "will not do anything to destroy the military balance and no party will be permitted to take advantage of phase two to destroy it."

On Cambodia's reconstruction, Mr. Akashi stressed that it would be a pity if it was blocked because of "rigid positions" when millions of dollars were being made ready.

The Khmer Rouge are afraid that this aid provided for by the peace plan signed in Paris in October will end up mostly in the hands of the Phnom Penh regime, which controls most of the country.

Prince Sihanouk said at the beginning of the meeting that he was "anxious about the possibility of being able to really proceed to phase two."

The SNC, a reconciliation body grouping the Phnom Penh regime and the three opposition factions, is in charge of Cambodia's sovereignty during the period of transition leading to the elections.

Journalists To Witness First Regroupment

*BK1206062792 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
12 Jun 92*

[Text] In the spirit of implementing the peace accord signed in Paris on 23 October 1991 and executing the second phase of the cease-fire, which will begin at 0800 on 13 June, the Defense Ministry of the State of Cambodia [SOC] wishes to announce that Prey Veng Province's armed unit in the 2d Military Region, which has regrouped in Kamchay Mea District, and a naval division are the first armed units to be regrouped under the verification of the UN Transitional Authority in Cambodia.

The SOC Defense Ministry wishes to invite observers and national and international journalists to witness this important event.

Foreign Minister Warns of 'Inevitable' War

*BK1206082092 Hong Kong AFP in English 0815 GMT
12 Jun 92*

[By Jean-Claude Chapon]

[Text] Phnom Penh, June 12 (AFP)—A resumption of the Cambodian civil war is inevitable if the U.N. peace plan now being blocked by the Khmer Rouge collapses, the Phnom Penh government's foreign minister told AFP on Friday.

"If the peace plan comes to a halt, it's war, with or without the support of the international community," Hor Nam Hong warned in an interview.

"Even though we do not wish it, we will have no other choice," he added. "I fear it is inevitable because of the attitude of the Khmer Rouge."

The Khmer Rouge, the most powerful of the four factions that battled for control of the country before the Paris peace accord was signed last October, is refusing to cooperate in the peace plan's crucial second phase, which is set to begin Sunday. It is supposed to lead to the cantonment of all the various factions' troops and the disarmament of at least 70 percent of them.

But Hor Nam Hong charged that "contrary to the Paris accords, they (the Khmer Rouge) want to dismantle the Phnom Penh regime in order to retake power." For that "aberrant demand," he added, "they are capable of making the peace plan fail."

The Khmer Rouge has said that before it takes part in the second phase, the United Nations must verify that all Vietnamese troops have been withdrawn from Cambodia. Hanoi officially announced the last soldier left in September 1989, but the Marxist faction rejects the claim. The Khmer Rouge has also demanded the Vietnamese-installed Phnom Penh government transfer all power to the Supreme National Council (SNC), a reconciliation body grouping the four Cambodian factions and representing the country's sovereignty until elections can be held.

Faced with the Khmer Rouge threat to the peace plan, the Phnom Penh government wants the U.N. Security Council to take up the dispute as soon as possible and to "take an energetic decision," Hor Nam Hong said.

He added that it would also be necessary for the countries that signed the Paris accords to meet again, to study the possibility of excluding the Khmer Rouge if they maintain their present position.

Eighteen countries participated in the Paris conference that led to the signing of the peace accords, among them the United States, China, Russia, Britain and France—the Security Council's five permanent members.

Also taking part were a number of Cambodia's neighbours, including the six member nations of the Association of Southeast Asian Nations—Thailand, Malaysia, Indonesia, the Philippines, Singapore and Brunei.

"Those who obliged us to accept the Khmer Rouge to settle the conflict must make them leave if they do not accept the accords," Hor Nam Hong said. "I don't wish to see them excluded, but I fear it is inevitable."

He emphasised Phnom Penh would start the peace plan's second phase only in areas "where there is no danger from the Khmer Rouge, as a gesture of support to the U.N. But in sensitive zones, on the contrary, we are preparing to defend ourselves."

The Phnom Penh government and the two noncommunist factions in the SNC—one comprised of followers of Prince Norodom Sihanouk and the other of supporters

of former Premier Son Sann—have already agreed to enter the peace plan's second phase even without Khmer Rouge participation.

Khieu Samphan Reiterates Stance on SRV Troops

BK1206044092 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 11 Jun 92

[Address by Khieu Samphan, member of the Supreme National Council and head of the party of Democratic Kampuchea, at SNC meeting on 10 June; read by announcer]

[Text] At the 5 June SNC meeting, I told the SNC that the Paris accord has two key points that should be executed to achieve the accord's goal, thereby allowing Cambodia to recover peace, independence, and national reconciliation and the Cambodian people to enjoy their right to self-determination. On the same day I also wrote a letter to UN Secretary General His Excellency [H.E.] Butrus-Butrus Ghali, telling him that the two key points are inseparable and cannot be executed separately.

Availing myself of this opportunity, I wish to recall that the Cambodian problem is the consequence of:

1. The Vietnamese invasion and occupation of Cambodia; and
2. The Vietnamese aggressors' installation of an illegitimate regime for use as an instrument to serve their interests.

So far, the Vietnamese have invaded and occupied Cambodia in both the military and political fields. Those two fields, which are interrelated and sustain one another, resulted in a great many Vietnamese soldiers disguising themselves as civilians to control the political affairs of the regime they have installed in Phnom Penh. This is the reason why the Paris accord has defined the following two concrete measures for ending the Vietnamese military and civilian aggression and occupation of Cambodia:

1. All categories of foreign forces, that is, all kinds of Vietnamese forces, should be withdrawn from Cambodia; and
2. The SNC, grouping the four Cambodian parties, should be set up as a national reconciliatory body.

I wish to underline that the Paris accord does not use the term foreign troops, but foreign forces. In this context, Vietnamese military forces, other Vietnamese forces that do not wear Vietnamese army uniforms, or those forces have disguised themselves as Phnom Penh troops as well as Vietnamese advisers in the Phnom Penh faction's offices and services are classified as the foreign forces that must withdraw.

As for military measures, such as setting up checkpoints along the eastern border, these are indispensable for

verifying the Vietnamese forces' presence. This step, however, is not sufficient. As such, political measures are needed to implement the key aspect of the Paris accord, which defines that the SNC is the unique legitimate body and source of authority in Cambodia during the transitional period. This issue does not concern power-sharing among the Cambodian parties, but is aimed at creating a neutral political atmosphere in order to allow free, democratic, and fair elections to proceed and the Cambodian people to enjoy their rights to self-determination.

Nevertheless, the SNC can only make a concrete contribution to creating a neutral political environment if it is empowered to administer the country. If one takes sides with a party thereby affecting the others, this means that, no matter what, one helps neither to achieve national reconciliation nor facilitate the creation of a neutral political climate. If so, it will never be possible to organize the free, democratic, and fair elections. In addition, in order to correctly execute the Paris accord without bias, UNTAC and the SNC should, throughout the transition, hold discussions and display close cooperation. Everyone knows that with UNTAC or the SNC alone, the accord can in no way be executed.

In sum, it is asked if the SNC remains powerless and has no means to carry out its tasks as is the case today, can the council act in cooperation with UNTAC? This is the question all of us have to answer.

Reaffirms Position on Foreign Aid

BK1206033292 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 11 Jun 92

[Text] At Khemarin Palace on 10 June 1992, His Excellency [H.E.] Khieu Samphan reaffirmed Democratic Kampuchea's stance on foreign aid at a meeting of the Supreme National Council [SNC] under the chairmanship of Prince Norodom Sihanouk, head of state and SNC chairman. He said: The agenda of our meeting today is on the question of aid for the restoration of Cambodia. The issue is the subject of continued discussions within a technical committee as well as the SNC and is the topic of many letters between Democratic Kampuchea and the UN Transitional Authority in Cambodia [UNTAC]. In those letters we have clearly stated our stance on the use of international aid and assistance requested by the UN secretary general in his appeal launched on 20 April 1992.

H.E. Khieu Samphan said: Our Democratic Kampuchea's stance on the aid is:

1. The aid should be given to the SNC according to the spirit and significance of the Paris accord, which states that the SNC has the right, authority, and means to carry out its tasks as a unique legitimate body and source of authority in Cambodia during the transition.

2. We have repeatedly made clear that we do not agree that the SNC's name is being used as a facade to demand aid for the Phnom Penh faction because this is contrary to the Paris accord.

H.E. Khieu Samphan also pointed out: In fact, Cambodia constantly needs aid. For this reason we support the demand for aid to repatriate Cambodian refugees and to appropriately resettle them. And we support the call for food, medicine, and assistance in the educational field for the Cambodian people as well. In sum, we have welcomed and we will continue to welcome all kinds of aid providing it is given in accordance with the content of the Paris accord.

As for documents prepared by UNTAC to demand aid for Cambodia, H.E. Khieu Samphan made the following remarks:

1. After reviewing the documents prepared by you, it is noted that there is a request for aid for Cambodia. But in fact the aid is only for the Phnom Penh faction. So Cambodia is used to cover up the Phnom Penh faction, which the Vietnamese have shored up via their invasion and which has been subject to constant condemnation by the international community because the aggression infringes upon the UN Charter and international law. If Cambodia is used as a facade to demand aid for the Phnom Penh faction, then does this not breach the Paris accord? The accord explicitly states that the SNC is the unique legitimate body and source of authority during the transitional period and there is no other authority.

2. In your documents, there is also a demand for aid to benefit the Phnom Penh faction's budget, repay the faction's foreign debts, and so on. That being the case, we are not in a position to accept the approach because it constitutes a total violation of the Paris accord. If this approach is allowed to go on in this manner, the Cambodian nation and people will certainly condemn it because it betrays the Paris accord and is for strengthening an illegitimate regime. Our stance is born from our spirit to cooperate with UNTAC so as to have the Paris accord implemented without bias.

Afterward, Mr. Akashi decided to further demand the aid according to the documents prepared by his team. On this decision, however, H.E. Khieu Samphan again pointed out: The Paris accord clearly stipulates that no one has the right to make any decision contrary to the accord itself. If a decision is made against the Paris accord, other people cannot be forced to comply. According to the Paris accord, the SNC members' views should be taken into consideration before making any decisions. We would like to reaffirm that we continue to firmly adhere to the Paris accord, and I already reaffirmed on 5 June that only by fully, correctly, and unambiguously implementing the Paris accord can Cambodia regain security, peace, and independence; only then can it survive. Every Cambodian is duty-bound to be patriotic only if the Paris accord is correctly and meticulously implemented. Should anyone breach the

accord, it is not possible for the Cambodian people to remain idle since this directly concerns the survival of the Cambodian nation.

Sihanouk Leaves for Visit to Japan, China

BK1206051692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 12 Jun 92

[Text] At 0730 on 12 June, His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, and his consort—accompanied by His Excellency [H.E.] Say Chhum, member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee and standing deputy vice chairman of the Council of Ministers of the State of Cambodia [SOC], and madam—left Phnom Penh for an official visit to Japan and China.

Accompanying HRH Prince Norodom Sihanouk and his consort to Pochentong Airport were H.E. Heng Samrin, honorary chairman of the CPP Central Committee and chairman of the SOC State Council; H.E. Chea Sim, chairman of the CPP Central Committee, National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense; H.E. Hun Sen, vice chairman of the CPP Central Committee and chairman of the Council of Ministers, as well as other excellencies the members of the Standing Committee of the CPP Central Committee; officials of the SOC; representatives of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, Khmer People's National Liberation Front, and the Party of Democratic Kampuchea; and a great many Phnom Penh residents. Also present were H.E. Yasushi Akashi, head of the UN Transitional Authority in Cambodia, and other excellencies the ambassadors and diplomats of various friendly countries accredited to Cambodia.

Hun Sen Meets Indian Railway Company Director

BK1106045892 Phnom Penh SPK in English 1113 GMT 10 Jun 92

[Text] Phnom Penh SPK June 10—Prime Minister Hun Sen received here on Tuesday an Indian delegation of economic affairs and railway technology led by Inder Gandhi, director of the railway company, who is on a visit to find out Cambodia's need on the railway field.

Inder Gandhi said that his visit was aimed at studying projects of the renovation of roads, bridges, railway lines and locomotives in Cambodia. He added that India had so far helped train 28 Cambodian rail workers.

Cambodia has recently agreed to buy 30 railway wagons from India's Integral Coach Factory at the total cost of 1.98 million U.S. dollars.

In reply, Premier Hun Sen shared his view with the delegation's objective to help restore Cambodia's railways which have been in bad conditions. He expressed

thanks to Indian government and people for their moral and material assistance to Cambodia.

Japanese Envoy Presents Aid to Health Ministry

BK1006052892 Phnom Penh SPK in English 0409 GMT 10 Jun 92

[Text] Phnom Penh SPK June 10—Cambodian Ministry of Public Health has received aid worth 127.8 million yen from the Government of Japan.

The gift, which included 15 ambulances and various kinds of medicine, was handed in Phnom Penh by the Japanese Red Cross over to the Ministry of Public Health.

On the consignment ceremony, Deputy Minister Chhea Thang expressed thanks to the Government of Japan and said Cambodia was still facing difficulties in health care because of war and the past calamity.

He expressed hopes that Japan would continue its assistance to help develop health care in Cambodia.

In reply, Yukio Imagawa, Japanese ambassador to the SNC, said Japan was pleased to help Cambodia restore health care because the Japanese people had undergone such difficulties after war.

Indonesia

Golkar Continues Wide Lead in Latest Vote Count

BK1206022492 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Jun 92

[Text] The partial counting of votes for the House of Representatives in the 1992 general election as of 0456 West Indonesian time [2156 GMT] this morning, was as follows: The United Development Party [PPP] obtained 16,567,158 votes, the Functional Group [ruling Golkar party] 65,847,493 votes, and the Indonesian Democratic Party [PDI] 14,548,835 votes. Based on information that the Indonesian election committee sent to Radio Republik Indonesia this morning, the percentage of the total votes counted so far has reached 90.14 percent. The total number of votes is 96,963,486.

Sees Lead in Netherlands Embassy

BK1206055192 Jakarta ANTARA in English 0343 GMT 12 Jun 92

[Text] The Hague, June 11 (OANA/ANTARA)—The ruling political party Golkar had a sizable lead in the vote counts for the House of Representatives (DPR) in the Indonesian Embassy here up to 02.30 a.m. (local time) on Wednesday, collecting 369 of the total 549 vote cast, the foreign election committee here announced.

The Muslim-based United Development Party (PPP) and the populist Indonesian Democratic Party (PDI) obtained 48 votes and 128 votes respectively.

Six out of the total ballots for the DPR were declared invalid because of errors, the committee said.

Golkar also emerged as the winner in the vote counts for the Jakarta constituency (DPRD) with 367 votes, followed by PDI (122 votes) and PPP (50 votes).

Ten out of the total ballots for the DPRD were invalid, the committee said.

Those casting their votes in the embassy's polling booth are a small part of Indonesians in the Netherlands who have the right to cast vote in the June 9 election.

At present some 7,000 Indonesians in the Netherlands have the right to vote.

The Indonesians, who could not attend the polling both cast their vote by mail and that the ballots could be made public after June 20, the committee said.

The polling activity in the embassy began at 10 a.m. and ended at 20.00 p.m.

Indonesian ambassador to the Netherlands Bintoro Jok-roamijoyo who witnessed the vote counting said he was satisfied with the polling activity.

Acknowledges Decline in Margin

BK1206062392 Jakarta ANTARA in English 0524 GMT 12 Jun 92

[Excerpt] Jakarta, June 11 (OANA/ANTARA)—The Functional Group (Golkar) here Wednesday evening acknowledged a decline in the vote percentage that it grabbed in the Tuesday general elections (pemilu), saying that it was normal and "made sense."

The ruling party so far had only been able to clinch slightly above 67 percent of the counted votes, while in the 1987 pemilu it managed to win by no less than 73 percent.

Golkar, claiming itself to be a party of the professionals, has dominated the Indonesian political life since the emergence of the New Order Administration under President Suharto about 25 years ago.

General chairman of the party, Wahono, described this year's pemilu as fair and of quality, adding that he apparently could expect to win by above 68 percent by the announcement of the final results.

Trailing behind Golkar were respectively the Muslim-based United Development Party (PPP) and the nationalist Indonesian Democratic Party (PDI) by around 17 percent and 15 percent.

With the decline in the vote percentage, Golkar might lose around eight seats in the House of Representatives (DPR) for the next five year term, Wahono said, adding that, however, it would not much influence the Karya Pembangunan (Golkar) faction's position in the 1993 session of the People's Consultative Assembly (MPR).

Voters, in the country's proportional representation system, decide the 400 members of the DPR for the coming five years.

They will join another 100 members representing the Indonesian Armed Forces (ABRI) whose members do not go to the polls.

Together with the 500 members of the MPR they will decide in 1993 the next president and vice president of Indonesia.

Saying that Golkar will still enjoy a majority in the parliament, former secretary general of the party Sarwono Kusumaatmaja ruled out the possibility that Golkar was losing its popularity.

"A fluctuation by five percent is normal and a victory by around 68 percent means people still have a trust on Golkar," he said.

Despite his earlier apparent optimism that his party will win by 73 to 75 percent, Golkar Secretary General Rachmat Witular said he was not disappointed with the provisional results of this year's general elections.

Ever since the first pemilu under the New Order Administration in 1971, Golkar has always tried to win by 60 to 80 percent to maintain a single majority in the parliament, he said adding that Malaysia's UMNO [United Malays National Organization] and Japan's LDP [Liberal Democratic Party] also underwent fluctuation in vote percentage while kept on retaining their majority status.

A noted researcher Dr Alfian attributed the decline in Golkar's vote percentage to the increasing number of people voting for the PPP and the charismatic Guruh Sukarnoputra of the PDI.

Guruh is the youngest son of Indonesia's first president, Sukarno. [passage omitted]

Laos

Thai Envoy Discusses Prince's Planned Visit

BK1206062192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Jun 92

[Interview with Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to the Lao People's Democratic Republic, by Lao mass media in Vientiane on 11 June—recorded]

[Text] In an interview granted to Lao mass media in Vientiane yesterday morning, Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to the Lao People's Democratic Republic [LPDR], expressed satisfaction over and highly assessed the scheduled official friendship visit to the LPDR by His Royal Highness Crown Prince Maha Wachiralongkon from 13 to 19 June as well as the visit to Laos by Her Royal Highness Princess Maha Chakkri Sirinthon two years ago and the visits to Thailand [in

January and February 1992 respectively] by His Excellency Kaysone Phomvihane, president of state, and His Excellency Khamtai Siphandon, prime minister of the LPDR. He noted that all these events have contributed to the promotion and improvement of the Thai-Lao fraternal and neighborly relations.

The ambassador said: [Begin Tantemsap recording in Thai] The Thai side is elated over the coming visit to the LPDR by his royal highness the crown prince. This official visit will begin this Saturday, 13 June, and end on 19 June. At present, the relations between our two countries, as neighboring and fraternal countries, are at a very satisfactory level. This has resulted from the settlement of various problems between the two countries over the past few years. Noteworthy is the visit to Laos by Her Royal Highness Princess Maha Chakkri Sirinthon in 1990, or two years ago. Following the visit, the relations between our two countries have quickly improved. Various problems, I would say in all respects, have been satisfactorily settled. The then governments of our two countries attached an importance to this issue. They exchanged visits at many levels, including at high level, both in civilian and military branches. The visits led to the signing of agreements in various fields, including an agreement on the border issue. In this regard, following the visit by Her Royal Highness Princess Maha Chakkri Sirinthon, an agreement was reached on the establishment of a joint Lao-Thai cooperation commission. In addition, the military and border security services of the two sides have set up Thai-Lao and Lao-Thai border peacekeeping committees with the supreme commander of the Thai Armed Forces as cochairman of the Thai side and his excellency the national defense minister as cochairman of the Lao side.

The good relations have continued since then. They have led to the visit to the Kingdom of Thailand by His Excellency President Kaysone Phomvihane in January this year, apparently from 6 to 11 January. It was an official visit to the Kingdom of Thailand by His Excellency Kaysone Phomvihane and his wife, Her Excellency Thongvin Phomvihane, as guests of his majesty the king. During the visit, they were warmly welcomed by both government and private sectors of Thailand, in particular by their majesties the king and the queen themselves. This can be regarded as the peak of relations between our two countries. It was a great pleasure that from 18 to 21 February, only one month later, His Excellency Prime Minister Khamtai Siphandon also paid a visit to the Kingdom of Thailand. During the visit, a Thai-Lao, Lao-Thai Treaty of Friendship and Cooperation was signed. A joint statement was also issued noting the determination to practice cooperation in many fields.

All I have said above shows that the relations between our two countries, both between governments and between heads of state, have now reached a very satisfactory level. The head of state of Thailand and the president of Laos have met and become acquainted with each other. Therefore, it can be said that the relations are satisfactory. We have also

had various apparatuses in all fields to settle problems or to prevent misunderstandings. We have maintained cooperation in the technical as well as military and other fields, the cooperation which is aimed at preventing misunderstanding and settling problems that might arise along the stretched common border.

His royal highness the crown prince is going to visit Laos on behalf of the head of state, meaning his majesty the king of Thailand, in return for the visit to Thailand by His Excellency President Kaysone Phomvihane. His visit is also intended to promote and strengthen the relations at all levels, raising from lower to higher levels. The visit on this occasion is to cement the good relations between our two countries and to further promote the mutual trust and understanding between our two peoples. As is seen, following the similar visits in the past, the relations between our two countries have improved. I am, therefore, certain that the visit by his royal highness the crown prince on this occasion will bring about good understanding between the peoples of our two countries. It will also lead to an achievement of ever closer cooperation between our two countries.

In economic cooperation, I would like to note one point. In addition to agreements in other fields, our two countries have reached an agreement on an economic issue, namely an agreement on the protection of joint investments. Not many people know about this agreement. The LPDR has already reached similar agreements with other countries. Therefore, we have had an apparatus to serve the economic cooperation. However, it may be necessary to adopt additional provisions or regulations to perfect this existing apparatus.

In the cultural field, as you know, Laos and Thailand are, as is generally said by the peoples, nothing but fraternal countries. Our two peoples have maintained similar, if not the same, customs, culture, and languages. In my view, among various neighboring countries of Thailand, the LPDR is the only country which maintains most things similar to or the same as those of Thailand. This is considered a good point, one that a person in a position like mine or those who have worked to promote relations should use to bring about mutual understanding. This factual point is beneficial to our two countries. [end recording]

Ambassador Nikhom Tantemsap added: In the technical cooperation sphere, in 1992 the Thai Government has agreed to grant a total of 240 scholarships for Lao cadres to take field trips or attend short-term training courses or practice in various fields in Thailand. It will also provide some 30 additional long-term scholarships for Lao students to further study for bachelor and masters degrees in Thailand. The Thai Government has also agreed to regularly render this type of assistance to Laos every year.

Border Inspection Pact Signed With SRV Province

BK1206093092 Vientiane KPL in English
0920 GMT 12 Jun 92

[Text] Vientiane, June 12 (KPL)—A memorandum on the inspection of the border demarcation between Lao Khammouane Province and Vietnamese Quang Binh Province was signed in Thakhek, the capital of Khammouane, in late last month.

The signatories were Mr. Khampon Thongsavat, member of the provincial party committee, also head of the provincial border committee of Khammouane, and Mr. Ho Cak Hong, vice president of the provincial people's committee and head of the provincial border committee [of Quang Binh].

Khamphoui Keoboulapha Meets Savannakhet Cadres

BK1206092692 Vientiane KPL in English
0907 GMT 12 Jun 92

[Text] Vientiane, June 12 (KPL)—Mr. Khamphoui Keoboulapha, vice prime minister and minister of economy, planning, and finance, on June 9, talked to officials in charge of economic, planning, and financial work and local administration in Savannakhet Province.

In his talks, he stressed the importance of a modification of the tax system, the search for revenue sources to the national budget, and other issues related to the economy and finance in order to raise the national revenue and to control and stabilize the commodity-monetary system in line with the renovation policy at the new stage.

Australian Aid for Education Given to Oudomsai

BK1106093292 Vientiane KPL in English
0905 GMT 11 Jun 92

[Text] Vientiane, 11 June (KPL)—The Australian Embassy is supporting, under its direct aid program (DAP), the publication of educational material targetting on adult literacy campaign in northern Oudomsai Province.

Through a nongovernmental organization "Ecoles sans Frontieres," the Australian embassy recently granted nearly 4,000,000 kip to support the production costs of educational books.

These books, which target ethnic groups in Oudomsai Province, are part of adult literacy campaign for minorities in this region.

Philippines

Aquino Speaks at Independence Day Celebrations

Addresses Diplomatic Corps

HK1206051792 Quezon City People's Television 4
in English 0237 GMT 12 Jun 92

[Speech by Philippine President Aquino during Independence Day breakfast celebration with the diplomatic

corps at the Heroes Hall, Malacanang Palace, Manila—live; italicized passages in Tagalog]

[Text] Your excellency Archbishop John [Vicenzo Moreni]; your excellencies of the diplomatic corps; distinguished members of the Senate and the House of Representatives; fellow workers in government; honored guests:

Let me thank the papal nuncio, His Excellency Archbishop John, as dean of the diplomatic corps, for his kind words and friendly greeting to the government and people of the Philippines.

This 94th anniversary of our independence is indeed a very special day of jubilation. For every son and daughter of this free nation, and for all who share in the spirit of democracy, this is a time to reaffirm our faith in the ultimate triumph of freedom in the ways of peace.

As the economic and political landscapes of our world change, the wisdom of the Kartilla [the guidelines] of the Katipunan [Philippine revolutionary organization], whose centennial we celebrate this year, remains timeless and timely. I quote: Life not consecrated to a lofty and sacred purpose is like a tree without a shadow, if not a poisonous weed. The life of nations has brought forth a new tree of knowledge about the ways of democracy. It casts its long shadow on the entire world. We partake of its fruits to choose what is right, to do what is good, so that all may be free.

No threats can be so great, no calamities so debilitating that we cannot overcome them. For we may have the most remembered liberation from repression, the most brilliant development plans, the most competent public servants but, without sincerity, these all turn to dust and ashes in the mouth.

As, more than a century ago, the heroes and leaders of our first revolution wrote in the Kalayaan [Freedom], the Katipunan publication, about how democracy appeared as an afflicted woman. Emilio Jacinto wrote that when she cried out: I am thirsty, and the reply was: Drink thy tears and the sweat of thy brow. She called out: I am without clothes, and the response was: Wrap thy body in chains. Democracy in her wretchedness was left by the way side and abhorred.

But nationalism stirred and united our hearts. With each unfolding year, we came to recognize her better. Courage taught us to reach out to her and be her guardians. Today, still she thirsts and we serve the best wine of people power. She shivers and we lay at her feet the mantle of steadfast partnerships between people and government, the private and the public sector, the Philippines and your nations, for a freedom made full with development.

We are blessed indeed that it is in our lifetime that she has come of age. The work of her strong hands abound: The momentous changes in the Euro-Asia continent, the initiatives toward a united Europe, the forthcoming integration of the North American economies, the social transformation in Latin America and Africa, the peace

processes in the Middle East and in Cambodia, the shifting priorities and expanding alignments in the Asia-Pacific, and the enhanced ASEAN regional cooperation.

In the Philippines, she has put an end to behest [word as heard] loans; dismantled monopolies; encouraged cooperatives; [word indistinct] nongovernmental organizations into the decisionmaking process; protected and respected the freedom of the press; ensured honest, orderly, and peaceful elections; and put firmly in place early warning systems and emergency plans for calamities or disasters.

Even as Kanlaon Volcano, in Negros Occidental erupted this Wednesday, the preparations that we have made in advance are guarantees of the safety of life and property.

Neither the arms of those who sought to steal power from the duly constituted authorities, nor the floods and lahar, can efface the majority of the new Filipino. Without seeking reward, compelled only by abiding love for fellow men in distress, our people have gone out of their way to help others help themselves.

This is the nationalism our forefathers had bequeathed to us. In Andres Bonifacio's "Duties of the Sons of the People," he advised us, and I quote: Bear always in mind that the love of God is also the love of country, for this too is love of ones fellow man.

Your nations have stood by our side these past six years, watching the Filipino bamboo remain resilient in the harshest of winds and rain. I am deeply grateful for your ready assistance during disasters, your participation in the multilateral aid initiative Philippines Assistance Program, your cheerful gestures of support, most of all, I sincerely thank you all for your special friendship.

In 18 days, we shall have a smooth transfer of power to a successor government. It shall be the master stroke on the portrait of freedom with prosperity. My only request is for you to extend the same firm hand of friendship and cooperation you have given me these past six years.

This is our goal: A Filipino that is not alone and who is truly free.

Excellencies, ladies and gentlemen, please join in a toast to honor their majesties and excellencies, the heads of state and the heads of government of the friendly countries represented here today. For their continued good health and happiness, *long life.*

Speaks at Manila Grandstand

HK1206101192 Quezon City Radyo ng Bayan
in Tagalog 0711 GMT 12 Jun 92

[President Corazon Aquino's Independence Day speech at Luneta Grandstand, Manila—live; italicized passages in English]

[Text] *Chief Justice and Mrs. Andres Narvasa, Secretary Jesus Estanislao, Honorable and Mrs. Fidel Ramos, your*

excellencies of the diplomatic corps, the honorable members of the Senate and the House of Representatives, fellow workers in government, my dear countrymen:

I am glad to be with all of you on this the 94th anniversary of our independence. As I was told by Commissioner Tom Apacible, this celebration is different because for the first time, there is a parade on the history of our flag and the heritage of this administration, and the choral groups of the different government agencies have gathered together to lead us in song.

I am aware of difficulties that our industrious National Independence Day Committee has gone through to make this Independence Day celebration a success, so let me begin by giving them my thanks. They have made this occasion a truly joyous one.

As I commend the national committee for its outstanding work, I have also noted the strong symbolism of this year's celebration. For one, there is the Filipino flag waving in the clear sky. It seems so simple, but we know it took a while before it evolved into its present form. At the same time, there is a story told that when Emilio Aguinaldo requested Marcela Agoncillo to make a national flag in 1898, so that it can be a rallying emblem of Filipinos, he also said: It must also be as beautiful as you are.

To this, the pretty Taalena was said to have replied: I only wish that it shall bear more wisdom, courage, and sincerity than beauty. And, indeed, our flag does bear the lineage of wisdom, courage, and sincerity of our people. It is our rallying point and a mark of our zeal. It is the symbol of our proud history and our inescapable destiny.

It may have taken Marcela Agoncillo five days and nights to sew it together, but it took centuries, and it will continue to take many more generations of Filipinos to be worthy of the lofty aspiration it serves to remind us all. The sun and the stars stand for liberty and the unity of all our people from Luzon, Visayas, and Mindanao; the blue for peace, truth, and justice; the red for patriotism, for valor. We also see today the dove of people power move on toward the sun, towards the fullness of our freedom. This is really the culmination of freedom: stability and progress.

When you look at our flag waving high, remember that this is not merely a beautiful ornament. This is the symbol of our nation's intelligence, courage, and integrity—qualities that did not spring forth in one day, but which we will continue to nurture for more than a lifetime. That is why in 1986 we were one in spirit and objective. And, in the past six years, we have continued to help each other give life to a spirit and ideal that is God-fearing, humane, and nationalistic.

I still remember last year when Mt. Pinatubo erupted, bringing with it a new challenge to our freedom. Last Wednesday, Mount Kanlaon erupted in Negros Occidental, which is of course nothing compared to Mt. Pinatubo. But, I know that no matter how many Pinatubos erupt or how many coups d'etat are launched by our many enemies or how many more dictators try to

fool us again, we will prevail. Our victory is assured. Our democracy is now strong, and this is because the Filipino is stronger than these.

In the past six years, we have nurtured and strengthened our democracy and freedom—freedom to choose, through clean and orderly elections, people who are worthy to lead us; freedom to establish cooperatives and give everyone a chance to uplift his life in an honorable way; freedom to set up one's means of livelihood, thus helping his family; freedom to build one's own home, to participate in town councils and to be a good neighbor; freedom for our children to finish their studies and learn the truth in all things; freedom which is the path to stability and prosperity for all.

And, if we want the fullness of our freedom, we know that we must be willing to cooperate with each other in treading that path. There lies the secret of our success: Freedom to help one another.

I am very happy that we have come together during this occasion to celebrate the success of our freedom and cooperation. I will never forget your support for me and my administration.

So, let us not waste time criticizing each other. As one nun told me when we were still fighting the dictator: Always remember that there is good in every person, and the heart of nonviolence is to find this goodness and set it free.

A story is told that when Mahatma Gandhi was in prison, he would make beautiful slippers which he gave to the general who earlier had him arrested and oppressed. The general would accept the slippers, but would wear them only for a few days and then throw them away when they became dirty. Gandhi would make more slippers, which the general would wear and throw again after a few days.

One day when the general was about to throw the slippers away, he noted that they were indeed very beautiful. He realized that they must have been very difficult to make and that their maker was the acknowledged leader of many people. That began his conversion. He soon sought Gandhi's forgiveness.

In the history of our country's independence, we have offered many slippers. Some valued them, while others were indifferent. I believe that time will come when everybody will be enlightened. Those who have sinned against the nation will kneel and ask for forgiveness. And everything will change. Then we can start a new chapter of our freedom.

Since this is the last time I will preside over an Independence Day celebration, I would like to ask you all a favor. In 18 days, we will have the inauguration of our next president. My only request is that you help our next president. Let us give him the courage to solve the nation's problems.

In reality, the Congress has not yet proclaimed any president; however, everyone that I have met has told me that our president apparent is Fidel Ramos. So let us help Fidel Ramos.

I would like to thank you for all the help that you have given me. And, I thank God that we have made it, and I am glad that I can turn over this presidency in a better state than when I received it after the People Power Revolution.

So, my beloved countrymen, let us unite again and cooperate with each other as our forefathers and our companions for the past six years have done. Unity and cooperation are the secrets of our freedom's success.

In this my departure, I hope that you will keep in mind that I loved you in the past, I love you today, and I will love you for the rest of my life.

Ramos Outlines Program, Strategy

*HK1006092092 Quezon City Radyo ng Bayan
in Tagalog 0601 GMT 10 Jun 92*

[“Part” of “Breakfast News Conference” by presidential candidate Fidel Ramos with unidentified domestic correspondents of the Malacanang press corps in English; place and date not given; monitored in progress—recorded]

[Text] [Ramos in progress] ...is a very necessary part of the constitutional process to select a president and a vice president. We are all for this and we would like it to take place in a transparent, orderly, and certainly legal manner, which is how it is being done now in my view.

I also would wish, however, that it could proceed more expeditiously. I am sure that members of the joint committee which is now doing the canvass itself are doing their best. But there is the matter of time constraints due to the fact that by June 30, Congress must make a proclamation of the winners in the presidential and vice presidential race.

You see, after the canvassing by special committee, there will still be a joint plenary session by both houses which will ratify the report of the 14-man special committee. So, that might take a few more days. So really, we are in a very tight situation.

[Reporter] Sir, do you think they would be able to proclaim the winners by June 20?

[Ramos] The leaders of both houses including the observers of the 14-man special committee have made that commitment that as soon as possible the [words indistinct] would be finished. But as to whether it would be by June 20, I do not know. But I hope it will be not later than June 20.

[Reporter] Sir, regarding the report that Sir Alunan was accompanied by a SWAT [Special Weapons and Tactics]

team last Saturday to the Congress and the media expressed alarm over this. What is your comment?

[Ramos] I think this has already been investigated by the security personnel of the Batasan [national assembly building] itself. A certain Major Yacat, who commands the Marine contingent in the Batasan, himself said that there was no such thing. There was no SWAT team with Mr. Alunan or with any other individual representing our party Lakas-NUCD [Strength-National Union of Christian Democrats]. None. Maybe those that made this report, but I think this has been (?widely reviewed) in the newspapers, mistakenly took as members of our group some of the personnel that are assigned to watch or guard the Batasan. We do not have any SWAT teams in our party and we do not have the authority to deploy SWAT teams because those are under their respective teams: meaning the chief of the Philippine National Police and the chief of staff of the Armed Forces of the Philippines.

What we have there in the Batasan, and this has been a carryover from May 11 after the elections, are poll watchers who have been helping to guard the process just like those in the other parties from the precinct level to the municipal or cities or the provincial or at the national. So, we are represented by personnel in the Batasan in accordance with the rule and regulations of the joint session. And these are only civilians or retired military. There are only four, three retired military that we have there who come in and out of the place. They have been given permission to be a part of our group. So, I say that this apprehension about the SWAT team being caused by Mr. Alunan is unfounded because there is no truth to the matter.

[Reporter] Sir, a lot of people have the perception that you'd be like another Cory [Aquino]. In what way will your presidency be different?

[Ramos] How can I be like President Aquino? In the first place my style is different, my track record in government as well as in the private sector has been quite different. And my own vision of the country—although very similar to most, including President Aquino—is more unique than the others in that I would want our people to participate more in the decisionmaking processes that affect their lives and their futures. This is the vision we had coming out of EDSA [Epifanio de los Santos Avenue]. I think this is what Mrs. Aquino also would want to pursue. She has done her part by the establishment of our political institutions and the restoration of democracy in our country, but I shall be different in many, many ways.

[Reporter] Like in what ways are you similar, sir?

[Ramos] Well, a more hands-on and take-charge kind of leadership. That has been my style during the 40 years. I would also want to give stability the highest priority. Stability not only in terms of security from the threats to our republic but also political stability, which must be enhanced through networking and coordination with all

the important sectors in our country, including the political opposition, plus my own desire to have industry and agriculture modernized and decentralized in selected areas of the country. Maybe a more accurate description will be that the policies that have been established which have been found to be meritorious and productive in the Cory administration will continue. But these will be reinforced and improved under a Ramos administration, with innovations and new features and enhancements added, if I become president.

[Reporter] Sir, there were reports this morning that you are planning to abolish the post of executive secretary. What is your comment?

[Ramos] I think this was just speculation by some people but I am really very open-minded about not only the members of the Cabinet but also the structure of the Cabinet and the various departments that form the Cabinet. Right now, I have not made any basic decisions as to people as well as officers and organizations, but I am very deep into searching for talent in consultation with our political leaders, with the people who are now in positions, as well as the private sector.

[Reporter] Sir, but you are not ruling out the possibility that the post of executive secretary might be abolished.

[Ramos] It will not be my intention to just revamp for the sake of revamping. I am looking at what would be the most cost-effective. That has always been my approach—cost-effectiveness in terms of organizations and structures and in regard to the search for the most talented people that would serve in government. I am not only looking at their competence in their respective fields but also dedication to public service because I realize, having been in the cabinet, that it is a hardship, even a sacrifice to serve in such high positions in government.

[Reporter] But is there really a need to cut down on the number of cabinet secretaries?

[Ramos] We will undertake a streamlining of government, not only at the very top but all the way down to the key positions if we will [as heard], because this is a unique opportunity to do that. First of all, we have the Local Government Code in place and that authorizes the devolution of the functions of central offices to the field of several departments. Secondly, well, we are entering into a new administration, but I think this is also a unique opportunity [words indistinct] or streamlining. But the main criterion is cost-effectiveness. In other words, we must be effective in terms of carrying out the missions of government, which is basically to protect the national interest and to provide for the welfare of the people, and we must make sure that in carrying out this effective program that costs will be minimal.

[Reporter] Mr. Secretary, earlier you said that stability will be a priority in your administration....

[Ramos, interrupts] It is the priority of my government.

[Reporter] With the reports in the past few days that rightist rebels have been plotting against you, how would you deal with them?

[Ramos] Right now, the policy is to keep the door open to them. And I will even open the doors wider, and even open the windows. Well, we will reach out to them even more persuasively. This is through contacts, through liaison, without having to use force.

[Reporter] Would you be agreeable to keeping them in the military?

[Ramos] Well it depends on the nature of offense that they are reported or alleged to have committed. After all, what is important here is to prevent the occurrence or the reoccurrence of destabilizing plots or destabilizing activities, such as attempted coups. What is again the most important in all of this is the common goal, the welfare of the majority of Filipinos. And we want to make sure that there will be no more coup attempts or coup plots. The December 89 failed coup attempt resulted in 13 billion pesos worth of economic damage to the country, plus the loss of 202,000 job opportunities in the estimate of our economic managers. And certainly, the country cannot [words indistinct]. We must move as a nation and as a people so that the economy can prosper, so that we can take care of the needs of our people.

[Reporter] Will your open-door policy extend to the leaders?

[Ramos] Well again, it has to be conditional because we want to make sure that the leaders earn some kind of responsibility for the rebellious activities that they undertook. But since many of them have already served their detention for quite sometime, they should be given credit for the time they have spent under detention.

[Reporter] [words indistinct]

[Ramos] Yes. I think that is the right term. Because they must understand that justice is two way. There have been many victims of this protest. There are many widows out there and many seriously injured people on both parties, from the government side as well as from the rebel side, but more from the government. And of course, there is the economy that has been the victim. This is what hurts our people. So, we have to make sure that in providing the remedies and the solutions that we do this so that there is equity and justice for the majority.

[Reporter] [question indistinct]

[Ramos] Let us look at that. There are two kinds of actions that are within the power of the chief executive. The first one is amnesty, but he does not wield this power by himself. It must be done in collaboration with Congress. And there are different kinds of amnesty. There is selective amnesty, meaning that a certain group of offenders would fall under that umbrella but some would not. There is what you call conditional amnesty, meaning everybody could fall under that kind of amnesty. But for certain individuals, because of the role

they played, because of the offense allegedly committed by them, they must conform to certain conditions such as good behavior, such as a pledge to do community service after the amnesty has been granted. This is like what is now being done under the probation administration of the Department of Justice. The third kind would be a general amnesty in which there is a complete writing off of the slate: all offenses are forgiven and everybody starts with a clean record.

In the first instance, this is already being exercised by government. In effect, the return to duty of a great, great majority of those that took part in the coup attempts in the past, have behaved properly as expected, and they are enjoying restoration of their status. They are back in the mainstream of the Armed Forces of the Philippines and the Philippine National Police.

Now, the second kind of action is executive clemency or pardon. But that involves, first, a trial—a judicial process. If the individual is found guilty, after the lapse of some time, pardon is granted or executive clemency is exercised. So, these are the options that are available. And again, as I said, under a Ramos administration keeping the common good, keeping the interests of the majority of our people in mind, that we can be literal and generous even, considering that most of these individuals have already been up for detention for a long time.

[Reporter] Sir, what about Gringo [rebel leader 'Gringo' Honasan]?

[Ramos] Well if he shows renunciation of his plans to overthrow the government or destabilize our society, because that is our very topic for everybody, because we must always weigh the effects of all of that against the welfare of the majority of our people. So, that is the policy. But I think it is very fair, but I have all the time consistently thought that above everything else is the national interest and the public welfare.

[Reporter] Sir, but where will he fall? Under executive clemency or conditional amnesty or what?

[Ramos] He is under trial for certain offenses but he is still at large, so he is not really under trial. [words indistinct] So, maybe he should be caught first or maybe he should voluntarily put himself under military control because he continues to be under military jurisdiction due to the fact that the series of events that he started were when he was still in military service.

[Reporter] [question indistinct]

[Ramos] Yes. But the jurisdiction is established that he will have the military [word indistinct].

[Reporter] [question indistinct]

[Ramos] Again we have to look at the common welfare.

[Reporter] Will you help rehabilitate them?

[Ramos] If the other part is followed. But in regards to the parts of amnesty, again, this must be the joint action of Congress and justice.

[Reporter] [question indistinct]

[Ramos] But there must be also an owning of responsibility. In other words, it is a two-way kind of thing. I don't think a responsible and caring chief executive, keeping in mind the welfare of the people, uppermost in his mind, would just say: Hey, I think you're a nice guy. Here, I give you amnesty. I don't think that would be the proper attitude. There must be a two-way kind of an offering. One, a pledge on an owning of responsibility, to abide by the Constitution, to protect the welfare of our people. And so far, we have not seen that kind of commitment on the part of those that are underground. Those that have come out voluntarily, like some of his hard-core followers in the past, have so far done very well; and that is the kind of attitude and concern for the public welfare that we would like to see.

[Reporter] Sir are you open to new peace talks?

[Ramos] Let us call them dialogues because if you talk about peace talks, as if we are giving the leaders a status to the rebels of whatever ideological affiliation. [sentence as heard] The talks have been continuing. I am aware of the fact that even after I left the cabinet the talks continued to, not only come to a higher level of understanding, but also to eventually get everybody to renounce violence as a party program. On the part of the CPP-NPA [Communist Party of the Philippines-New People's Army], in their constitution there are many statements there about the use of armed struggle or the approach to armed revolution as the means to gain state power. So again, there must be a two-way kind of a commitment, one on our part in government, and the other on their part, to follow only peaceful means of development. And this is also the same point that applies to those of the extreme right.

[Reporter] Sir, do you think that it is possible to [words indistinct] with your number [words indistinct]?

[Ramos] Well, that is the opinion of a handful of people, but you must understand that, already, as of the latest count, more than five million Filipinos voted for me to become president. Now, whose opinions do we follow?

[Reporters] But, sir, how do you feel about the fact that most military men voted for Danding Cojuangco?

[Ramos] Again, that is a wrong perception. I think you are working on the wrong premise. Because, while it is true that inside the military camps, where there are voting precincts, some others may have gotten higher scores...[Ramos, changes thought] I would like to point out that I did not campaign inside the military camps because I did not want the commanders there to be put under pressure because they may not know how to treat me as a former chief of staff and as a former secretary of defense at a time when they are supposed to be neutral.

But if you will examine all of the precincts around the military camps, not only in these two camps in Metro Manila, but all over the country, you will find that I won over all opponents.

[Reporter] In the military camps?

[Ramos] Around. Not in, but around. Because you know not all soldiers live inside military camps. They are not all registered around military camps. They live all around, all over. In Makati, I was a very high number two, although Mrs. Santiago won in Makati. But yet the bulk of the military community, the bulk of the military population, is around there in Fort Bonifacio in Makati. There are several large barangays there, like Cembo, Rembo, Pembo, that are full of military personnel: active, retired, veterans, their sons and daughters. And there I won handily over Mr. Cojuangco. So, we must look at the facts of the matter.

And there are so many other big camps in Mindanao. The 3rd Infantry Division in Capiz, the 5th Infantry Division in Cotabato, etc, etc. The 4th Infantry Division in Zamboanga del Sur, where I won with a 75 percent majority over my opponent. These are the things that they should count, but I don't think that we should get into that exercise.

[Reporter] [question indistinct]

[Ramos] I am sorry, but I can't hear you. Can you come closer?

[Reporter] [question indistinct]

[Ramos] Well, there may be several. What are they counting? One dozen? But the great bulk of the more than 120,000 Armed Forces of the Philippines plus the equally big Philippine National Police I would say are for me, in the sense that we just said, the country as a whole provided more than five million voters for me, among them many military personnel and police personnel. I think that kind of a report should not be given much credence.

[Reporter] Sir, suppose you are proclaimed the president and Senator Estrada vice president. How do you envision yourself with regard to policies, particularly with regard to the U.S. bases?

[Ramos] I intend to order the review, very early, of the entire range of Philippine and United States relations. The most important aspects being the economic aspects, which includes trade and the marketing of our exports. Of course, we will also review the defense aspects. We must remember that the Philippines and the United States are still bound by a mutual defense treaty that is 41 years old, older than some of you young people here. And, therefore, that must be reviewed because what we would like to seek is really genuine partnership in defense matters.

[Reporter] [question indistinct]

[Ramos] Well, I think that perception is wrong about being pro-American. I am pro-Filipino, and more than 5 million Filipinos are pro-Ramos. That is our relationship with the people. My record of service shows that even if I were educated, even if I was educated in the U.S. Military Academy at West Point, I came back to this country and served continuously for more than 40 years.

[Reporter] Sir, are you going to give Erap [Joseph Estrada] [words indistinct]?

[Ramos] Well, when we met, and it was not really a chance encounter as you mentioned, I think in a written report, it was pre-arranged at the home of a mutual friend. In fact, what I said was we will put you to work; but there was no agreement how and where. Because at this stage, we have, are not yet proclaimed. We cannot really seriously talk about the assignments that each one should have until we are proclaimed.

[Reporter] Will he be a member of your cabinet?

[Ramos] Again, you will find out later.

[Reporter] Will the vice president, himself, be the minister of foreign affairs?

[Ramos] Well, as you know I am a nontraditional politician. [laughter]

[Reporter] But sir, what if it suits Erap?

[Another reporter, interrupts] Do we take that as a no?

[Ramos] You cannot take it for anything.

[Reporter] Sir, has Erap indicated where he would want to serve in what post?

[Ramos] Yes, he has. But I am not free to divulge that to you because that is strictly between him and me.

[Reporter] We are talking about the cabinet.

[Ramos] In that case, I won't [word indistinct].

[Reporters] Sir, please tell us.

[Ramos] Well, if he says so, let him say so.

[Reporter] Is it true that he wants to head social welfare? Is that correct?

[Ramos] I guess I haven't read the newspapers today because....

[Reporter, interrupts] [question indistinct]

[Ramos] I will answer that question some other time. Maybe you can invite me to breakfast again.

[Reporters] Sir, as to having a stable government, does this mean that next years' budget would be favorable to the Defense Department? Will the Defense Department....

[Ramos, interrupts] No. No. No. Stability consists of many things. I mentioned threats against our republic. I

think that is well taken care of not only by the Defense Department but also all the other agencies that are involved in the peace process. This includes governors, mayors, the Department of Interior and Local Government, which in fact heads our peace and order council from national down to the local. But there is instability that comes out of the lack of political cooperation and political consensus. So, right off, we must establish among our new political leaders an agreement as to what should be our highest national goals, what should be our highest national priorities, what should be our highest national directions. That is why I have mentioned that we must try to address, within the first 100 days, five important programs.

Are you already aware of these five programs?

[Reporters] No, not really.

[Ramos] National stability is the first, because no other program will prosper without that. Then secondly, our economic recovery program. Third is acceleration of our energy-power development. Fourth is streamlining the bureaucracy. And fourth [as heard] is the protection of the environment.

We have many other programs, but these ones will occupy our greatest attention during the first 100 days.

[Reporter] Mr. Secretary Aquino has [words indistinct] about the Marcos body. Do you foresee any plans about the...[reporter changes thought] the Marcos family must have negotiation first between the Aquino administration, before they will allow to bring back the body of the late president. [sentence as heard]

[Ramos] Well, we are still in the Aquino administration and I think that there is that desire of the Marcos family to bring back the remains as soon as possible. Now, if we were lucky and we become the president by means of a Congress joint session resolution, promulgation, or proclamation, and if the issue is still not resolved, I certainly would overlap opportunities for further dialogue with the Marcos family so that the remains are reimbursed to them. They will certainly be brought back to the Philippines.

[Reporter] Will you be asking for the same provisions?

[Ramos] What provisions?

[Reporter] That the body be brought to Laoag and buried there. Or are you open to a Manila burial?

[Ramos] Well, I think what has to be done is a quiet dialogue between a representative of the family and a representative of the government. And I will be ready to deliver immediately what they want a representative of the government, if I am the president or when I am the president, to discuss all of these conditions. Because there are many things to be agreed which should be done quietly. For instance, what are the venues where his remains should be brought because there are certain amenities that must be followed? What are the rules so that the remains can be brought to Ilocos Norte? And

then what will be the security requirements? We really have to talk about it. But I will be ready to announce who will be the government representative.

[Reporter] [question indistinct]

[Ramos] Even the amenities will be discussed.

[Reporter] Sir, what about our foreign debts?

[Ramos] Well, we shall continue paying our obligations.

[Reporter] Sir, [word indistinct] is proposing the extension of Estanislao as finance secretary and Central Bank governor, the second group to be the permanent negotiating team for our debt [words indistinct]?

[Ramos] Well, the secretary of finance and the attorneys of the Central Bank have done their work in getting the best possible terms and conditionalities during the last couple years while they have been the incumbents, but we shall try to even negotiate for better terms in the future.

[Reporter] [question indistinct]

[Ramos] Well, we should make sure in the next administration that the operations of the Department of Finance and the operations of the Central Bank will not be prejudiced by the part-time work that the officials there have to do with regard to negotiating for the best possible terms for our borrowings. So, I will be looking at that greater type of deficiency with our administration.

[Reporter] [question indistinct]

[Ramos] Well, those may be treated differently. I am talking about those that have been borrowed for our development because I believe that loans must be incurred for the purpose of improving our infrastructure, enhancing our economic development, acquiring capital goods, meaning making tools for revitalizing our industries. But we should not borrow for the purpose of consumption. We must borrow for the purpose of development and production.

[Reporter] What about the BNPP [Bataan Nuclear Power Plant] loan?

[Ramos] Well, the BNPP loan is separate from the BNPP itself as a power source. I think we should try to make use of that asset that we have right now in which we have invested a lot dollars, a lot of time, maybe a lot of pesos also, because we need the 620 megawatts of power. Now, that's why I am saying that as far as the BNPP is concerned, we must first satisfy ourselves completely with the safety aspect.

[Reporter] [question indistinct]

[Ramos] Well, if it is a law that later on is bound to be a legitimate solution on our part, although that is still to be debated, then we should. But what I am saying is that the plant itself is an important resource already, ours really, already in the country, that we must develop and activate because we need power. We have been running

behind in our power development program. Our goals have been very [word indistinct], running at about roughly 8 percent the increase in power capacity every year. This is tied very closely to our own goals for growth in GNP, which is from 6 to 8 percent. But I think we will find out through the experience of other countries that it is the availability of electric power, especially in the countryside, that moves or booms economic growth. So we should raise our goals in so far as our economic power development is concerned.

That is why the BNPP, if it is fully safe, is a very important component of that government.

[Reporter] [question indistinct]

[Ramos] Well, I think the big number of teachers that really went on strike has dwindled to a very much smaller number now. Those who protested to the extent of going on strike have already returned to duty; some were given administrative punishments of three or six month suspensions but they have restarted their duties, except a few who are still supposedly on strike.

[Reporter] Sir, going back to power, are you in favor of recreating the Department of Energy?

[Ramos] Yes, I have gone on record to have the Department of Energy reestablished. In fact, when I was in the Cabinet I voted for the proposed bill, which eventually became an administration measure for the recreation of the Department of Energy.

[Reporter] [question indistinct]

[Ramos] Well, it's not only with regard to that matter that I shall closely coordinate with Congress. I've already talked to Senator Neptali Gonzales in his capacity as the incumbent president of the Senate to cooperate on the formulation of a legislative agenda if I become president. This means that, even in the formulation stage of the program, we are already talking and coordinating, and that goes also for the House of Representatives as well because leadership counts. But I have given that message also to some of the incumbent leaders of the House of Representatives that when I become president, I will be very happy to dialogue with them so that even before the start of the sessions on the first week of July, we already have a common understanding as to what should be the priorities for the administrative agenda.

[Reporter] [question indistinct]

[Ramos] There are some arrangements being made, but as to where, I am not ready to divulge it to you.

[Reporter] What do you intend to talk about?

[Ramos] Cooperation. The need to recognize common goals for the national interest and for the public welfare, and my favorite theme of unity, solidarity, and teamwork. Would you want to know what that means?

[Reporter] Yes sir.

[Ramos] Unity means, in my view, is just being friendly to each other, being cooperative with each other, and being unified by a common set of values as we are now. We are united here in this breakfast conference. But the Philippines must move on and the people must be provided for in a better way.

About solidarity, here we are already talking about specifics, about the recognition of what should be our national goals based on the national interest. What should be our priorities? What should be our directions? But teamwork is probably the highest kind of unity and solidarity there is because teamwork means we must act, we must go, we must perform. We must gain points otherwise the other teams, meaning the other countries, will keep scoring and scoring points against us. So to me, that is the highest form of cooperation and this is what I will work for.

[Reporter] Sir, but what about the matter of getting back the alleged hidden wealth or other properties?

[Ramos] Are you talking about Mr. Cojuangco?

[Reporter] Yes.

[Ramos] Well, those things that are already in the court, to me, must be pursued to their logical completion. After all, what is involved here is public interest and welfare. Quite a bit of that money is public property. So, this must be returned.

[Reporter] [question indistinct]

[Ramos] I just said that we must pursue those cases that are already in the courts. All of those cases must be pursued because it is not my interest that I [words indistinct]. But I am pouring attention to the national interest and public welfare.

[Reporter] [question indistinct]

[Ramos] The defense budget during my time was at about 10 to 11 percent of the annual national budget. Social services and special education amounts to about 22 percent. It is the biggest slice, aside from the service of debt. Infrastructure was at about 21 percent. Now, the need for economic development and the delivery of services to our people are still the highest priorities insofar as our budget allocation is concerned.

[Reporter] [question indistinct]

[Ramos] No. We will consider all the proposals. It's only that this proposal was publicized today. But the education, the infrastructure, public works, they also have proposals to [words indistinct]

[Reporter] [question indistinct]

[Ramos] No. No. It is not just the Defense Department. You are just reading one part of the story. The total, as I saw it in the newspaper, is 322 billion [as heard, currency not specified]. The 1992 budget is several millions below that. Usually, there is a 15 percent yearly increase in the

budget. Now, each department, each sector tries to confront the list. If I have not filled the proposal for the Department of Education because I am not yet into that. This is still the concern of the incumbent. But very soon, we have asked for the overview of the budget programs. I think this is scheduled on the (?15th) of June. We have not yet discussed this with the budget secretary. All others are also proposing a 15 percent increase. So, if they are talking about the education budget of about 24 billion, they also have a very short [words indistinct].

[Reporter] Can you explain what they call a minority president?

[Ramos] Well, a minority president is minority only for a temporary period because he must develop a new mandate after he takes over as president. Whether he got the majority or just a plurality of the votes, it is important that he should win a mandate from the people all over again. He must win [words indistinct] from the legislature [words indistinct]. He must also win a mandate from the organized citizenry, meaning the NGOs [nongovernmental organizations] or the people's organizations. He must get the mandate from the media. He must get a mandate from his own cabinet so that he will be working with as much support as possible in pursuing his targeted programs.

If you look at other governments in this world, including that of the U.S., I don't think that there is any party governing with a majority mandate. In the case of the U.S., we know for a fact that they have only about 25 percent turnout during presidential elections. And so, if you multiply that with the percentage votes that we will get in a electoral tally situation, he may not even have a majority mandate. For those of a parliamentary nature, again, what would be counted is the majority of seats in parliament, but not the majority of the voters. As for me, it is not a totally disabling condition to be a plurality president. It is a fresh challenge for me to work for the [words indistinct] obstacle.

[Reporter] [question indistinct]

[Ramos] My approach has always been not a military solution. Believe it or not, as chief of staff of the Armed Forces and even as chief of constabulary before, I have never depended on a military solution. You will recall that we developed early during the Cory administration, the so-called integrated approach. Whether we are addressing the CPP-NPA, the Moro National Liberation Front, or the military rebels, it has always been addressed through the integrated approach. This means that we must use an integrated combination of political action, economic development, and progress in social justice. These are the main ingredients of the integrated approach. Part of the military and police are there to protect the process. That has been proven to be very successful [words indistinct] that the military solution of search and destroy, which was what was used during the Marcos administration.

In a Ramos administration, I will intensify this integrated approach because the problems that gave rise to insurgency, cessation [as heard], and military rebellion, did not come out of military conditions. And so, if we can alleviate poverty, which is one of the major causes of insurgency or rebellion, if we can distribute through devolution, decentralization, and democratization, the goodies in this country for a greater proportion of our people, then that will be part of the approach. If we can also improve education, information, thereby eliminating ignorance, which is also a major cause of insurgency, secession, and rebellion. The military will be there only in support. So, what are the four steps? Whether you are addressing a criminal group, a military rebel group, a secessionist group, or an NPA group, you are here in a barangay, you are here in an urban area, the first thing to do is to clear the area of the dangerous elements. You clear that either by capturing them, defeating them, or eliminating them. But some of them will get away so you have to go and chase them in the next place. But then, in that barangay, you must hold the area, and you do the holding not anymore by your best military units but maybe police forces, barangay guards, civilian volunteer organizations, etc.

Then the next step is consolidation, meaning you must now bring in your development process—livelihood, barangay roads, water supply, electric power, medical services, etc., etc. At that stage, it becomes mainly a civilian responsibility. Under the last stage of development, that is almost 100 percent civilian, led by the mayor, the governor, etc., with the police and the military only as [word indistinct] to protect the process. This methodology has been very successful during the past five years and we will continue that. We will enhance it even. Again, looking at targeting the basic process.

[Reporter] [question indistinct]

[Ramos] The report is rather fantastic. If we have to look at the amount of gold being mentioned, 350 tonnes I think was mentioned, 35 billion dollars, etc., etc. Now you know, if it is really 350 tonnes, this is 175 truck loads of solid gold, because one six by six is capable of carrying two tonnes. They call that dump truck.

Ramos Still Leads in Congress Count

HK1106124992 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 11 Jun 92

[Text] Presidential candidate Fidel V. Ramos continues to strongly hold on to his lead in the latest Congress tabulation, while Miriam Defensor-Santiago continues to occupy second place.

As of the latest Congress tabulation, Ramos has 3,542,490 votes, followed by Santiago with 3,441,695. Ramos has a lead of 100,000 votes over Santiago. Eduardo Cojuangco remains in third place.

Meanwhile, Joseph Estrada continues to lead in the vice presidential tabulation. Estrada has a total of 4,373,764

votes, a 103,000-vote lead over Marcelo Fernan, who is in second place with 3,081,121 votes. Ramon Magsaysay Jr. is still third place.

Senate President Neptali Gonzales assailed the Congress canvassing committee for allowing the lawyers of the different political parties to interfere with Congress proceedings. He reminded the committee that they must take steps to ensure the proclamation of a new president by 30 June.

New Senators Appoint Gonzales Senate President

HK1206030892 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 11 Jun 92

[Text] The newly proclaimed senators have agreed to appoint Senator Neptali Gonzales as Senate president even if sessions have not yet started. The senators, during a meeting at the Manila Hotel, have also agreed to appoint the leaders of the different Senate committees. It was learned that the new majority floor leader and chairman of the Committee on Accounts is Senator Alberto Romulo. Meanwhile, Senator Teofisto Guingona was appointed president Pro-tempore and chairman of the Committee on Public Service. Senator Edgardo Angara and Senator Blas Ople were appointed chairmen of the Committee on Finance and Education and the Committee on Foreign Affairs respectively. No minority floor leader has yet been chosen; however, there is a great possibility that Senator Ernesto Maceda will be appointed to the post.

Assassins Allegedly in Manila To Kill Ramos

HK1206055492 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 12 Jun 92

[Text] Three Israeli explosive experts are allegedly in the country to execute a Rajiv Gandhi-style suicidal bombing attempt against Fidel Ramos. According to intelligence reports, a losing presidential candidate allegedly gave a 5 million Philippine peso down payment to fund Ramos' assassination. The three Israelis are reportedly hiding in a safe house in Manila.

Sources indicate that the suspects are going to use the same style used in the assassination of Indian Prime Minister Rajiv Gandhi two years ago. Gandhi was killed after a bomb attached to the body of a rebel Tamil woman exploded.

Ramos Believes Japan Not To Revert to Militarism

HK1106132492 Quezon City Radyo ng Bayan in Tagalog 1230 GMT 11 Jun 92

[Text] Japan will not revert to militarism just because it is sending troops to join the UN Peacekeeping Mission. This was the essence of former Defense Secretary Fidel V. Ramos' response to a question posed by NHK Television to the different Asian leaders.

According to Ramos, Japan has already learned a big lesson from its military adventurism during World War II. He said that now that Japan is a world economic giant, it will no longer pursue expansionism. He added that Japan no longer has any purpose for militarism because its use would only outrage the world.

It was recently reported that a dispute has arisen within Japan regarding the Japanese Diet's, the Philippine Congress' Japanese counterpart, decision to send troops to join the UN Peacekeeping Forces. The Japanese soldiers are reportedly going to escort the different medical groups and transportation and communication equipment being sent by the United Nations to different areas. The conflict arises from a provision in the Japanese Constitution prohibiting the deployment of armed troops overseas.

Ramos clarified that his comment does not intend to meddle in the implications [word as heard] and provisions of the Japanese Constitution since it is an internal affair, and the Japanese people should be left to settle it for themselves. However, Ramos said the UN should bear in mind the Japanese troops' purpose, which is to maintain world peace.

At the same time, Ramos believes that based on all standards, the recent events in the world indicate that we are now moving toward world peace.

Manglapus Rules Out Diplomatic Ties With Taiwan

HK1106050492 Manila PHILIPPINE DAILY INQUIRER in English 11 Ju 92 p 14

[By Jerry Esplanada]

[Text] Foreign Secretary Raul manglapus has ruled out formal diplomatic ties with Taiwan, saying Philippine relations with her Southeast Asian neighbor must remain on "people-to-people basis."

"In view of our economic needs, we have sought recourse to the joint communique between Manila and Beijing in 1988 which refers to our relations with Taiwan as people to people relationship," Manglapus said.

He was reacting to remarks made last week in Taipei by Sen. Joseph Estrada, who is virtually assured of winning the vice presidential race, that the country should forge diplomatic ties with Taiwan without cutting off relations with the People's Republic of China.

Estrada, whose Taiwan trip has drawn fire from the Chinese embassy here and his colleagues at the Senate, also said the Philippines will surely derive greater economic benefits by adopting a "two-China policy."

Taiwanese newspapers quoted the senator as saying he was confident he could persuade former Defense Secretary Fidel Ramos, "who is likely to become the new president," to accept his idea.

Yesterday, the foreign secretary also said that "our attitude with China is, of course, nothing new."

Manglapus noted that "it started in the former government, but it was pursued vigorously with the visit of President Aquino to Beijing (in 1988)."

The country has an embassy in Beijing, which is headed by Ambassador Felipe Mabilangan Jr. At the same time, it operates the Manila Economic and Cultural Office, its liaison office in Taipei.

The absence of diplomatic ties, however, did not prevent the Philippines from signing an investment pact with Taiwan last March.

The agreement ensures Taiwanese investors will receive fair treatment here and gives them legal protection against government action such as expropriation of land.

The pact was the third signed between Manila and Taipei since the Philippines established diplomatic relations with Beijing in 1975.

China has repeatedly warned the Philippines against "official exchanges" with Taiwan which, it said, violates Manila's "One China" policy.

Thailand

Anan Discusses Military, Elections, Cabinet

BK1206035692 Bangkok THE NATION in English
12 Jun 92 pp A1, A2

[Text] Prime Minister Anan Panyarachun, beginning the sensitive task of forming an interim government to end the political crisis, yesterday urged restraint by the military and pro-democracy groups to allow for the best compromise solution.

Many members of the next cabinet would be technocrats from his widely praised post-coup interim government, he said, and would specifically exclude politicians. Anan met several of them yesterday in an effort to form an administration by the weekend.

Anan, appealing for a conducive atmosphere in which to begin his delicate mission, said the two sides should avoid trading accusations in order to cool the political temperature. At some stage, he cautioned, they will have to sit down for talks to find a new approach to solving the problems.

He refused to detail how he would handle the divisive issue and declined to respond to the demand by pro-democracy groups for the ouster of military leaders responsible for the bloodshed. He also urged all parties to trust his word that he would find a solution acceptable to them.

He said he conveyed this message to representatives of the Confederation for Democracy who visited him at his office at the Saha Union building in Bang Chak area yesterday to congratulate him on his appointment as premier.

Army Commander in Chief Gen Itsaraphong Nunphakdi and Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin, at the centre of the political storm for their roles in the bloody May 17-20 crackdown, also had representatives deliver congratulatory flowers to the prime minister in the morning and afternoon.

Anan said he asked Army Secretary Maj Gen Chaturit Promsakha Na Sakhon Nakhon, who was representing Itsaraphong, to convey his assurance to the army chief that he had no intention of hurting the prestige of the military or of destroying the armed forces.

"I told him that whatever action I take, I would bear in mind the prestige of the military institute. The armed forces is an institute which must be preserved. The (violence) was a mistake and, for now, all need to restrain themselves and help reduce the political temperature," said Anan, who was installed by the present military leadership as interim prime minister following the coup on Feb 23 last year. He resigned after the general election in March and was reappointed premier on Wednesday.

The prime minister said he would take it upon himself to examine the responsibilities and powers of the investigating committees set up by the caretaker government of acting Prime Minister Michai Ruchuphan and the elected House. These committees were to look into the causes of the violence in which scores died and hundreds were injured.

He said he would see what changes should be made to the authority of the government-appointed committee.

He would also look at whether legislation giving the military vast powers to suppress demonstrations or riots should be amended.

Asked about public pressure for the government to reshuffle top military leaders responsible for the violence, Anan said the sensitive issue had to be handled with care and he did not see any point discussing it in public.

"I have something in mind and I will certainly try to find ways to achieve it," he said.

Asked about the "political accident" which landed him in the top executive post for the second time, Anan replied: "It's my bad luck."

The prime minister said the urgent task facing him was to restore private sector confidence in political stability and quash fears of further civil unrest. If this was achieved, foreign countries' confidence in Thailand would return.

He said he plans to deliver a keynote speech on Thursday at a seminar—jointly organized by the Federation of Thai Industries, the Thai Bankers Association, the Board of Trade and the Board of Investment—to try to restore the private sector's confidence.

At the end of this month and early next month, Anan said, he would have a chance of meeting foreign businessmen and foreign correspondents.

Anan said he would also find time to visit the rural areas hard hit by the acute and widespread drought.

Speaking after calling a series of meetings with his former ministers at the Saha Union building, now the centre of his efforts to form the new cabinet, Anan said most had accepted his invitation to rejoin him, although some had excused themselves for health reasons.

Most of his cabinet of 25 to 30 would be old faces but the defence and interior ministers would be new, he said.

He said he would finalize the formation of the cabinet over the weekend.

Anan said he had contacted the people whom he wanted to give the crucial cabinet posts of interior and defense but would not name them.

For the defence portfolio he needed a career military officer because in practice a civilian would not have time to study military affairs in the expected four-month term of his government, he said.

"I cannot afford to appoint one who holds no basic knowledge of it or has no intention of improving it. In my work I certainly expect achievements," he said.

Asked whether the military had made any demand on who should be the new defence minister, Anan said: "No they haven't and they don't have a right to demand anything."

Anan said his interior minister, who would have the crucial task of overseeing a "fair and transparent" election, must be strictly neutral.

Among his visitors yesterday were former University Affairs Minister Kasem Suwannakun, who was chairman of the independent Pollwatch group, and Dr Gothom Araya, a key figure in the Campaign for Popular Democracy Committee. Anan said he asked them to review the performance of the Pollwatch group, which was set up to observe the March general election, and report to him on ways to improve and streamline the neutral organization.

Pollwatch members would meet shortly to work on the report, he said.

Anan also said the private sector organizations and state agencies had key roles to play to help increase the political consciousness of voters and enable them to elect qualified politicians to the House.

Asked about parliamentary affairs, Anan said he expected to hold meetings with leaders of the political parties.

He "acknowledged," without further comment reports that politicians did not want him to dissolve the House.

The premier earlier had said he intended to call a snap general election in four months.

However, the Constitution allows him to stay for as long as seven months, including a three-month period as head of a caretaker government supervising the nationwide poll.

According to the Constitution, the prime minister has no more than one month to deliver the constitutional amendments which already have been approved by the House to His Majesty the King. His Majesty has three more months to consider and approve or reject the amendments, which would become effective after they are announced in the Royal Gazette.

After the endorsement by HM [His Majesty] the King and before the announcement in the Royal Gazette, the prime minister can dissolve the House and head a caretaker government for no more than three months until the election has been held.

Anan said he did not plan to submit the draft budget bill for the next fiscal year to the current session of parliament because it would be busy deliberating other issues before it goes into recess June 29.

But that would not pose an administrative problem, he said, because the Constitution stipulates that the administration can apply the preceding budget bill to the new fiscal year.

Apart from Kasem, the former ministers who met him yesterday included former Deputy Premier Pol Gen Phao Sarasin, former Communications and Transport Minister Nukun Prachuapmo, former Commerce Minister Amaret Sila-on, former Deputy Commerce Minister M.R. Pridiyathon Thewakun, former PM's [Prime Minister's] Office Minister Phaichit Uathawikun, and former Foreign Minister Asa Sarasin.

Some, including M.R. Pridiyathon and Asa, confirmed they were ready to rejoin Anan's team.

Pridiyathon said he would return to the Commerce Ministry as deputy minister. He said he did not know whether Amaret had agreed to Anan's request to become commerce minister.

Deputy Cabinet Secretary General Witsanu Krua-ngam, who was acting spokesman for former Premier Gen Suchinda Kraprayun, also visited Saha Union building.

Anan refused to say whether he would reappoint former Deputy Premier Michai Ruchuphan to his Cabinet.

He said he was aware of criticism that Michai was affiliated to Suchinda.

Samakkhi Tham Renews Bid To Form Government

BK1106110592 Bangkok Thai Army Signal Department Radio Cho So 100 in Thai 1003 GMT 11 Jun 92

[Text] The following is a report from the Pacific News Center. The Samakkhi Tham Party is trying to avoid a dissolution of the House of Representatives. The party will act as a coordinating core for 11 political parties to

form a new government after the government of Prime Minister Anan Panyarachun has to relinquish office.

Aphichat Halamchiak, deputy spokesman of the Samakkhit Tham Party, told reporters that during a special meeting his party appointed a five-member committee, comprising party leader Narong Wongwan, deputy party leader Sawat Khamprakop, Phinit Chantharasurin, Anuwat Watthanaphongsiri, and Somphong Amonwiwat, to gather necessary information for the party and coordinate with the other political parties in a bid to form a new government, which, if successful, will mark another page in the country's political history. A house dissolution, however, will be unavoidable if the effort fails. He said that in any case his Samakkhi Tham is ready for a general election, adding that it will first try to cooperate with the other political parties. For the time being, nothing is certain and no decision has been made on the form of government to be established.

Regarding the reactions of the Samakkhi Tham Party's members to House Speaker Athit Urairat's action, Aphichat said some agreed with the house speaker because the people are satisfied, while others disagreed because they think that Athit failed to abide by the rules. Party members also maintained that the Samakkhi Tham Party must also be held responsible for the disappointment on the part of the other coalition parties.

The initiative of the Samakkhi Tham Party is tending to gain support from other parties. Chuan Likphai, leader of the Democrat Party, said a moment ago that his party would await further developments. In any event, the 11 political parties might create a miracle.

Samakkhi Tham's Athit Considers Leaving Party

BK1206033992 Bangkok BANGKOK POST in English 12 Jun 92 p 2

[Text] Samakkhi Tham Party [STP] advisory chairman Athit Kamlang-ek is considering switching parties in what is seen as the first crack in his party's cohesion following the pro-military parties' failure to retain government on Wednesday.

Gen Athit said at Parliament yesterday he might have to leave the STP to join another party so he could pursue his political ambitions.

Gen Athit, the former leader of the Puangchon Chao Thai Party, headed the defection of a dozen of his party members in joining the STP during its hasty formation with the reported strong support of certain National Peace-Keeping Council [NPKC] leaders.

Gen Athit said yesterday he was waiting to see if the STP leadership would take any action to reorganise before making a final decision.

"I have my own reasons. I have to do what I want to do," he said.

"If I cannot do what I want, then I will have to find somewhere else to stay."

The STP has often been referred to as a "special task political party" formed by different groups from many political parties allegedly to help perpetuate the influence of the NPKC. NPKC leaders have denied this however.

STP leader Narong Wongwan, while expressing dismay at the latest political developments, vowed yesterday he would fight on as STP leader.

The STP will stay, he said.

Mr Narong said he was not surprised by the sudden appointment of Anan Panyarachun as the new prime minister.

Banhan Set To Replace Sombun as Chat Thai Chief

*BK1206050592 Bangkok THE NATION in English
12 Jun 92 pp A1, A2*

[Text] Chat Thai Party Secretary-General Banhan Sinlapa-acha said yesterday he was ready to become party leader in place of Sombun Rahong who has declared his intention to quit politics.

Banhan told reporters after an informal meeting of executive committee members at Chat Thai's headquarters that the party was preparing itself for a possible House dissolution and a general election.

"Finding a new party leader to lead an election campaign is part of the preparation," the secretary-general told a press conference.

ACM [Air Chief Marshal] Sombun, who until the surprise appointment of Anan Panyarachun as prime minister on Wednesday had been the front-runner for the top post, said he would resign as party leader.

Of Anan's appointment, Banhan said he was told by House Speaker Athit Urairat as late as noon on Wednesday that Sombun was going to be nominated as prime minister.

"But I have to accept it (the appointment) as it is," he said.

Prime Minister Anan said on Wednesday one of his main tasks was to organize a free and fair general election.

Sombun, speaking to reporters at parliament yesterday, said he was relieved that Anan and not he had been made prime minister.

He said Anan's appointment was welcomed by a majority of people.

"I had been trying to avoid being appointed prime minister. I repeatedly asked every one around me whether it was possible to avoid the job.

"And I was told again and again that I must take it to uphold democratic principles," the party leader said.

He said he would wash his hands of politics, not seek re-election and step down as party leader.

"I will not seek re-election and will resign as party leader.

"I will definitely quit politics. I won't stay even if they try to force me to," Sombun said.

Suphanburi MP Praphat Pothisuthon said the majority of the party members wanted Banhan, also the party's principal financier, to succeed Sombun.

"I have served the Chat Thai Party for 15 years. I wouldn't mind if party members want to make me party leader. I will respect their decision," Banhan said.

Chat Thai sources said if Banhan became the party leader, his close associate and deputy party leader Sanoh Thianthong would likely be made secretary-general.

The secretary-general said he believed the reputation of his party had not been tarnished despite its association with Gen Suchinda Khraprayun.

Suchinda resigned in disgrace on May 24 in connection with the May 17-20 bloody crackdown on pro-democracy protesters.

The Chat Thai Party was the second biggest partner in the five-party coalition government under the leadership of Suchinda.

"The Chat Thai Party will be able to clarify its position to the people," Banhan said.

Besides, most of our supporters were people in the provinces—not Bangkok.

Senior party executives closely associated with former Chat Thai leader Chatchai Chunhawan, including Kon Thapparangsi, Praman and Phongphon Adireksan, and Det Bunlong, who participated in the informal meeting yesterday, left the meeting room just before the press conference.

Det told reporters that he did not want to stay at the meeting because the discussion did not produce anything worthwhile.

Party executives present at Banhan's press conference included Chongchai Thiangtham, Thawit Klingprathum and Prathueng Witchanpricha, who are all members of Banhan's faction.

Party officials said a meeting of party executives was scheduled today to sound out the opinion of party members on the proposal to make Banhan the new party leader.

Chamlong Considers Retiring From Politics

*BK1206034792 Bangkok BANGKOK POST in English
12 Jun 92 p 1*

[Text] Former Phalang Tham Party [PTP] leader Chamlong Simuang may not seek re-election because he wants to devote most of his time to social development affairs.

Maj-Gen Chamlong, who played a pivotal role in spearheading the anti-Suchinda protests last month, said yesterday that in fact he had confided to some close associates including his wife, Maj Sirilak that he will not stand again.

He said his parents want him to wash his hands of politics but his wife would like him to stand at least once more.

The former Bangkok governor is operating a foundation set up under his name which is to open two leadership schools, one in Kanchanaburi and the other in Prachin Buri province, to provide courses in ethics, a modest way of life and productivity for rural and farming leaders.

Maj-Gen Chamlong said he intends to spend his time running the two schools and the Thao Tun Company which sells essential consumer items cheaply to the public.

Several Phalang Tham Party members will try to persuade him to change his mind, at least for the next election.

Bangkok MP Dr Udomsin Sisaengnam warned that Maj-Gen Chamlong's departure now would adversely affect morale of party members.

He said several party members might quit and, as a result, the party might disintegrate.

"We will try to persuade him to assume the party leadership and to seek re-election," Dr Udomsin said.

Magsaysay Award-winner Dr Prawet Wasi said he wants Chamlong to stay in politics now "because the country is at a crucial turning point."

He warned that Maj-Gen Chamlong's resignation would discourage good politicians and open the floodgates for the entry of bad politicians.

Social critic and academic Thirayut Bunmi said Chamlong has become a valuable political resource "so he should remain where he is."

He said the PTP has firmly established itself to a certain degree because of the personality cult of Chamlong.

"It will be better for him (Chamlong) to stay on," said Thirayut who added that the politician will have to clear up public doubts about certain points of his political ambitions.

The PTP is a symbol of ethics and democracy, and it will serve the party and country better if Chamlong stays on, Thirayut said.

Group Appeals to Military Leaders To Leave

BK1206044992 Bangkok THE NATION in English
12 Jun 92 p A1

[Text] The Confederation for Democracy (CFD) will appeal to top military leaders to resign and leave the country after Prime Minister Anan Panyarachun forms the new government, one of its leaders said yesterday.

"We would be deeply grateful if the top military leaders resign and leave the country," said slum activist Prathip Ungsongtham Hata.

She said this would restore the country's image shattered by last month's bloody military crackdown on unarmed demonstrators, for which leading military figures have been held responsible.

"If they have political spirit, they should resign by themselves. Otherwise we would have to ask the Anan administration or the people to take action," she said without elaboration.

Anan, when asked about public calls for action against top military leaders, said yesterday he had to make a decision on the matter but gave no indication of what he might do. However, he said he would try to the best of his ability to come up with a solution.

He said he will soon study the scope of the authority of the factfinding committees set up by parliament and the caretaker government to investigate the May 17-20 massacre.

The government committee on Monday will start questioning those who were involved in the incident.

A senior committee member said the new government will soon be informed about the committee's scope of responsibility. He added that the Anan administration might increase the committee's power to deal with the issue.

Anan said he still did not know whether he will succeed in finding a solution to the problem and refused to comment further on the issue.

The democracy confederation leaders led about 30 people to parliament yesterday to present bouquets to House Speaker Athit Urairat to show their support for his action in nominating Anan as premier.

Among the organization leaders were Dr Sant Hattirat, Dr Weng Totchirakam and Somsak Kosaisuk.

They issued a statement expressing jubilation about the royal command appointing Anan and praised Athit's courageous move to satisfy the people's wishes by ignoring pressure from the six coalition parties.

Prathip said the nomination of Anan as premier was not only a success for the confederation, but also for people's power.

Dr Sant said the confederation is preparing to expand its campaign for democracy nationwide to create "democratic consciousness" among the people.

He said the confederation is ready to cooperate with the Anan government on various issues.

Dailies Propose House Dissolution 10 Jun

BK1006091792

[Editorial Report] Two Thai-language dailies, THAI RAT and SIAM RAT, on 10 June carry editorials calling

for dissolution of the House of Representatives after the constitutional amendments are approved by the House and Senate on 10 June.

THAI RAT's 600-word editorial on page 3, entitled "Will Premier Michai Dare?", notes that the Thai National Assembly will certainly pass the final reading of the constitutional amendments during today's joint session of the House of Representatives and Senate. "From now on we will have the British-style bicameral parliamentary system, which is better than the old one."

The editorial urges Michai Ruchuphan, caretaker prime minister, to review the magnitude of the country's economic slump and "dissolve the House of Representatives to solve both internal and external problems now facing the country." The paper reaffirms that caretaker Prime Minister Michai has the power to do so.

The paper praises House Speaker Athit Urairat for his decision to postpone the submission of the name proposed by the six coalition parties for the premier nomination in order to retain the power of the caretaker prime minister to dissolve the House.

In conclusion, the editorial says: "We appeal to Michai Ruchuphan to dissolve the House of Representatives today to prevent the widely rumored coup d'etat that could plunge the country into the lowest depths of an abyss. Your decisive action today will lead the country to a better path."

SIAM RAT's 500-word editorial on page 3, entitled: "The Path That Should Be Chosen," reviews the reforms of the Constitution which will be voted for in today's joint session of the House of Representatives and Senate. The editorial says: "We deem it appropriate to dissolve the House of Representatives to hold a general election so that we can comply with the newly amended charter."

"Political parties must improve their organizations and select leaders who are qualified for the premiership in case they win the majority vote in the house and have to form a government."

The editorial concludes by saying: "The dissolution of the House will measure the popularity of each political party. Moreover, it will allow all political parties to improve themselves and select leaders who are qualified for the premiership and acceptable to the people."

Academician Explains Legality of Anan Appointment

*BK1106013992 Bangkok BANGKOK POST in English
11 Jun 92 p 1*

[Text] The appointment of Anan Panyarachun as prime minister was possible despite the Constitution having been amended earlier yesterday to allow only an elected MP [member of parliament] to the post because it has not yet been signed by His Majesty the King and announced in the Royal Gazette to become lawful.

Thammasat University law lecturer Keowsan Atipho said that according to the charter the King has 90 days during which to consider giving royal approval to any legislation passed by parliament.

Since His Majesty has not yet signed the charter amendments which are yet to be published in the Royal Gazette, the amendments are yet to take effect as law and Mr Anan, a non-MP, can still be appointed prime minister.

Even if Mr Anan dissolves the House now the amendments will not be affected because it has already passed the third and final reading in parliament.

As such, House Speaker Athit Urairat can later submit the amendments to His Majesty. But Mr Anan will have to dissolve parliament first because an acting premier cannot do so.

However, Mr Keowsan proposed that the prime minister use two months to get the Budget Bill passed and tighten electoral laws. He said PollWatch-type commissions are powerless to stop vote-buying and it is better to amend election laws.

Effects of 'Bloody May' on Trade Viewed

*BK1106023992 Bangkok BANGKOK POST in English
11 Jun 92 p 15*

[Excerpts] Food has been the hardest hit of all export items by the "Bloody May" events, Board of Trade [BoT] executive director Prayun Thaloengsi said yesterday.

Mr Prayun said the conclusion was reached by the BoT after it had received reports on the impact of the events from its members.

"This is because exporters of food have to seek permission from various government agencies, and all government agencies were closed during the bloody events, so all food exports were suspended during the period," he said.

Mr Prayun also chaired a meeting of exporters yesterday to work out measures to rehabilitate the country's export industry.

"These measures will be proposed for consideration at a seminar to be organised by the Board of Trade, the Thai Bankers' Association and the Federation of Thai Industries on June 18," he said. [passage omitted]

Thai Textile Manufacturers' Association secretary-general Det Phathanasethaphong said the damage to textile exports amounted to about 10,000 million baht. [passage omitted]

Bangkok Bank senior vice-president and research department manager Nimit Nonthapunthawat said an unofficial result of the bank's economic review after the May 17-20 protest showed that the country's economy this year would expand by 7 percent, instead of 8.9 percent as predicted by the bank at the beginning of the year.

"But if there is more political turmoil then the economic growth will be sliced to only 6 percent at most," Dr Nimitr said.

His comment was made before the appointment of Anan Panyarachun as the new Prime Minister.

He said the lower growth rate of the economy would be the result of the lower incomes earned by the tourism, hotel, transportation, construction and real estate development industries.

The 7 percent growth rate, although high when compared to many other countries, was considered lower than the level it should be because the Thai economy would have grown by about 9 percent if the events had not taken place.

The only positive factor regarding the slower economy is that inflation this year would slow to 5-5.5 percent, compared to earlier predictions of 6.5-7 percent, he said.

The current-account deficit would also decline, he believed, as imports would decrease and oil prices in the first half of the year were low. The country's exports this year would grow by 16.7 percent.

The money-supply situation in the rest of the year would become tighter as corporations would borrow more from the domestic market to substitute for overseas loans.

"Moreover, the stock market is not so good this year so it will be difficult for listed companies to mobilise funds from the public by increasing their registered capitals. That means they will have to borrow loans instead of raising their capital, so the demand for loans will be higher," he said.

As a result, credit extension in the banking industry this year would be 17 percent, the same as earlier predicted.

On the deposits side, Dr Nimit said the rate of increase would remain unchanged at 18 percent this year. "This is because the people will spend less and save more due to the generally unfavourable economic situation."

Commercial banks tend to increase deposit rates to attract more deposits but they would have to maintain the lending rates at the existing levels.

As a result, commercial banks' profit would increase by 18-19 percent, compared to 25 percent last year, he said.

Chawalit Thanachanan, chairman of Industrial Finance Corp of Thailand [IFCT] said the "Bloody May" events have adversely affected Thailand's image and credibility.

"IFCT felt the impact because many foreign financial institutes turned down proposals to join loan syndications with us. IFCT's creditors also adjusted the interest rates higher as they viewed that the risk rate in lending to Thailand is higher," Mr Chawalit, who is a former Bank of Thailand governor, said.

But he predicted that local interest rates would remain unchanged in the third quarter of the year. "Although capital inflow declined, the demand for loans for investment also dropped."

Patent Law Amendment, U.S. Attitude Discussed

*BK0706101692 Bangkok MATICHON in Thai
7 Jun 92 p 22*

[Text] The Association on Trademark, Patent, and Copyright on 6 June organized a seminar at the Regent Hotel on the amendment to the patent bill.

Yanyong Phawongrat, deputy director general of the Intellectual Property Rights Department, Commerce Ministry, said he did not think the United States would take action on trade retaliation against Thailand within six months after declaring Thailand a priority first country last April. Concerning the patent bill, he said the United States is still not happy with three issues in the new act: retroactive protection, compulsory licensing, and the role of a drug patent board. Thailand however is firm that its law will be in line with the regulations in the draft agreement of GATT [General Agreement on Tariffs and Trade]. If the United States insists on having Thailand change its law, then this will be done at the GATT session. He noted that the United States seemed to understand Thailand's point and did not put pressure on Thailand at the bilateral level. U.S. drug manufacturers, however, are still unhappy and have kept on pressing their government to take action against Thailand. This explained why the U.S. Government followed the issues closely and insisted on having Thailand change its law to please the U.S. private sector. Concerning the copyright, the official said it would be good if the court ruled against the five major music cassettes and video tapes distributors in Thailand as that would pave the way for the United States to withdraw Thailand from the priority first countries list. On the patent act, he does not think the United States would pressure Thailand too much now since the political situation in Thailand is still unsettled.

Aphisit Wetchachiwa, an MP of the Democrat Party, said he believed the United States was still unhappy with the new patent law and wanted it amended. Personally, he does not think Thailand should amend the law now but should wait for the results of GATT. It would be a bad precedent if Thailand amended its law on the basis of a trend on the draft agreement of GATT.

Government Urged To Stop Backing Khmer Rouge

*BK1106060192 Bangkok THE NATION in English
11 Jun 92 p A6*

[Commentary by Kawi Chongkitthawon]

[Text] When Yasushi Akashi, chief of United Nations Transitional Authority in Cambodia (UNTAC) sought a meeting with Thai officials Monday, he did it with good reasons and out of desperation. His main purpose was to seek assistance from Thailand, to make the Khmer Rouge respect the UN Peace Accords signed last October.

The Thai military has maintained close relations with the Khmer Rouge since 1979, when these Maoist guerrillas were driven out of Phnom Penh by invading Vietnamese forces. It was rather disappointing that after his meeting with Akashi, Gen Charan Kunlawanit, secretary general of National Security Council, said Thailand was unable to influence the Khmer Rouge to implement the UN Accords on Cambodia. On June 13, phase two of the peace process was supposed to have taken off, in which UN peacekeeping troops under UNTAC would begin disarming the Cambodian factions and demobilizing 70 per cent of their armed forces.

The underlying forces that influence Khmer politics are no secret to anyone, let alone UNTAC, and this UN body is fully aware of how to strengthen the fabric of peace in war-torn Cambodia.

The UN chief as well as his military officers also know which countries are propping up the Khmer Rouge and the guerrillas' long-term interests and political strategy.

The Khmer Rouge's intransigence at this moment in time is rather alarming as the Cambodian peace process is entering a crucial period. By refusing UN access to certain areas under its control, during which UNTAC is to supervise the disarming of most of the estimated 200,000 troops from all sides the full implementation of the UN Accords is threatened.

The Khmer Rouge refused to allow Dutch marines to cross over the border from Thailand to check on their stronghold in Pailin. Before that, Akashi and his military commander, Australian Lt Gen John Sanderson, were prevented from entering the same place. Pailin is well-known for its fine gemstones, and mining-rights purchased by Thai businessmen at exorbitant rates help fill the coffers of the guerrilla group.

It is interesting to note that every time Thailand said publicly it did not have any influence over the Khmer Rouge the communist guerrillas would become more cooperative. There would be subsequent closed door meetings between the Khmer Rouge delegation headed by Khieu Samphan and the Thai leaders as well as the Chinese representative here. Indeed, Thailand has more influence than it dares to admit. The same can be said of the Chinese. That explains why the Khmer Rouge is always responsive only to these two supporters.

The Paris Conference on Cambodia in which the UN Accords were agreed upon came about after years of intense negotiations from Jakarta to New York in which peace always seemed elusive. In Jakarta last year, China agreed not to provide support to the Khmer Rouge, and went to normalize ties with Vietnam after Hanoi agreed to stop propping-up the Phnom Penh government. Thailand agreed not to allow the use of its territory for the transport of arms to the Cambodian factions.

The recent Khmer Rouge intransigence has however brought one glaring fact out in the open. Basic relations between the Khmer Rouge and Thailand as well as China

have not changed one bit. Given the closeness between the Khmer Rouge and Thailand, one can easily see the linkage between the Khmer Rouge's intransigence and the Thai domestic condition. Whenever Thailand faces internal conflicts, especially during periods where there ceases to exist a strong government or when the Thai administration is in disarray the Khmer Rouge seems to hold all parties to hostage. Every time it did that, it gave the same old excuse. They still maintain that Vietnamese troops are in Cambodia. Now besides claiming the presence of the Vietnamese, they also allege that UNTAC is taking sides.

The Khmer Rouge has already complained to caretaker Foreign Minister Pongphon Adireksan during Monday's meeting that UNTAC is siding with Phnom Penh. The much-heard allegation is that the UN authority is too close and in fact sympathetic to the government of Prime Minister Hun Sen.

For example, when the Khmer Rouge asked for a UN verification of the Vietnamese troops inside Cambodia UNTAC did not respond. Recently, Akashi became the first UN official to say that he was certain there were no Vietnamese troops in Cambodia. Vietnam pulled out its troops from Cambodia in September 1989.

Diplomats based here believe the Khmer Rouge continues to use the unverified withdrawal of the Vietnamese troops to drag on the peace process. The longer the peace process drags on, more and more Cambodians would become unhappy with the inequitable distribution of income and resources because of rampant corruption in the Phnom Penh government, they said. The diplomats said this would play directly into the hands of the Khmer Rouge.

Certainly, Thailand's statement that it was in no position to influence the Khmer Rouge to accede to the UN Accords, cannot be taken seriously. Without Thailand's dubious assistance—given its geographical proximity with the guerilla group—the Khmer Rouge would not be able to survive.

Before the Chatchai government was ousted by the National Peacekeeping Council last February, it was clear that the Thai policy on Cambodia was threatening the Khmer Rouge. Former [Prime Minister] Chatchai Chunhawan adopted a tough policy against the Khmer Rouge and befriended Phnom Penh.

Thailand's hostility at that time caused high anxieties among the Khmer Rouge leaders, so much so that they decided to move arms and ammunition caches along the Thai-Cambodian border further inside Cambodia around February last year. The guerrillas feared reprisals from the Thai military.

The arms and ammunition were moved so quickly that the Khmer Rouge did not have time to mobilize enough troops to protect the convoys transporting them. This

resulted in the Khmer Rouge convoys coming under the attack of Phnom Penh troops, who managed to seize huge amounts of weapons.

Under the Anan government, the Khmer Rouge was more cooperative in agreeing to the peace framework, though it had violated the cease-fire agreements several times after the UN Accords were signed in October.

The ongoing political crisis, without a real and effective government in Thailand, is an ideal situation for the Khmer Rouge to strengthen its contacts with dubious elements along the border or rekindle ties with the security apparatus. The gems trade continue unabated. Without careful monitoring, reverse arms transfer across the border is also possible.

Ironically, the internal political crisis Thailand is facing right now, has in a way affected the UN-brokered peace plan, which in turn could determine the future of the Khmer Rouge.

Thailand is still betting on the day that the Khmer Rouge would return triumphantly with a full legitimacy in Cambodia, where it had killed over a million Cambodians. True to its survival instinct, Thailand has also maintained close commercial and political relations with the Phnom Penh government.

Past efforts focused on strengthened personal links between the Phnom Penh leaders and the discredited Thai military leaders. The recent bloodshed has upset Phnom Penh's ties with Bangkok, but it benefits the Khmer Rouge as its ties do not depend on military personalities, but rather mutual interest. The besieged military leaders would not try to put the Khmer Rouge in a fix, as they would not want to create any tensions at such a critical time in the country's domestic political situation.

The only way to make sure the Khmer Rouge do not scuttle the UN peace plan and agree to phase two of the disarmament without delay, is to continue pressuring Thailand and China.

Thailand in particular must cooperate fully with UNTAC as it involves not only the Khmer Rouge but also the repatriation of Cambodian refugees on Thai soil. UNTAC must also make sure the cessations of arms assistance along the Thai border is genuine. The UN troops are in Cambodia for keeping peace. The Khmer Rouge's tactic is to disturb the peace because it would render the UN troops inoperative in case a confrontation occurs.

Vietnam

Parts 1, 2 of Nguyen Duc Binh's Report Viewed

*BK1206093592 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 10 Jun 92*

[Report on the Main Contents of Parts 1 and 2 of an Orientation Report by Political Member Nguyen Duc

Binh at a conference on theoretical work organized by the party Central Committee Secretariat—place and date not given]

[Text] Comrade Nguyen Duc Binh began his report by reaffirming the need for and importance of theoretical work in the process of social development in our country as well as in the course of developments in the world. He clearly specified: Our party has emphasized theoretical research. It has enriched its intellectual activities by constantly raising standard theoretical knowledge, and by firmly grasping and creatively applying Marxism-Leninism and Ho Chi Minh thought. At the same time, it has constantly summarized the vivid and practical experiences that are daily and hourly emerging from life in the country and the world in order to set forth appropriate lines and steps for the Vietnamese revolution.

Then, Comrade Nguyen Duc Binh pointed to the outstanding problems of former theoretical work in our country and asserted: The theoretical work of our party made considerable progresses late in the 1970's and 1980's and especially since the Sixth Party Congress. He said: The Sixth Party Congress has gone down into history as a congress of renovation. Proper steps have been taken to renew life and social activities, using the renovation of theoretical thinking as a premise, and, first of all, the renovation of economic thinking. The new thinking of the Sixth Party Congress, which has quickly entered life, not only has proved to be entirely correct but also has been concretized, developed, made more profound, and enhanced by new experiences. On this basis, major points have taken shape to assert the transition to socialism in our country. This was reflected in the Political Platform and the Strategy of Socioeconomic Stabilization and Development Until the Year 2,000, which were approved at the Seventh Party Congress.

The party Central Committee's report clearly indicated: Obviously, what we have achieved thus far in our knowledge will be supplemented and developed along with the future development of realities and theoretical thinking. There is no doubt, however, that the knowledge acquired until the Seventh Party Congress marked an important step on the long path of theoretical research and creative experimentation of our party. Among the common intellectual effort of the entire party is the meritorious contribution of theoretical and social science cadres. What we have achieved in our theoretical work, however, is still far behind our goal. Theory has not got out of the backward and sluggish state as compared to realities in several fields. Criticism of old things is more than enough while new proposals and measures remain rare.

Comrade Nguyen Duc Binh stressed in his report that specifically, the weak aspect of theoretical work in our country in the recent past lies first in the fact that although the number of theoretical journals and research projects by individuals and scientific collectives are not

rare, very few of them are of sufficient scientific importance to gain some reputation. Very few long-term projects are formulated to thoroughly study specific issues. The number of projects written by us seem to be much lower than the number of translated works. This indicates our scientific knowledge is still limited. Our scientists of some reputation are still scarce. The standard of our theoretical knowledge is in general still low. It is even worse to the extent that once a person has spoken about an issue, others seem to be unable to say anything else. In some cases when criticism was needed, only a few articles could be written.

You have previously blamed the party for failing to use theoretical cadres in preparing policies. Yet, recently such constructive criticism has not been noted too often because for several years now orders for social goods have been sent by the party and agencies to scientific agencies and scientists. It is regrettable, however, that our response to such orders seems to be quite difficult.

Second, in the struggle on the ideological and theoretical battlefield, many scientific agencies and collectives have failed to correctly stress the importance of theoretical work. They are still reluctant to struggle by running with the hare and hunting with the hounds, and by dodging the issue. The press has carried out some drives to encourage criticism. Yet, some of the written articles called for better quality and higher persuasiveness. Another important point is that the work must be conducted regularly and shared by even more theoreticians.

One of the main causes that has kept the theoretical work in our country poor, as stated above, is that the skills of our theoreticians are still limited. He said: This is apart from your good points in terms of your excellent political quality, loyalty to the revolutionary cause of the party and people, youthful replacements, and systematic training. Yet, the actual status remains that strength does not come with the contingent of numerous cadres. This has resulted from the fact that many shortcomings still prevail in training which range from recruiting to the contents of curricula, the quality of teaching and shortcomings in policies and systems of employment, advanced training, remuneration, and creation of necessary conditions for scientific research and the development of talents.

The lack of great ambition, dedication, and intellectual effort among quite a number of theoreticians is also a major cause. The systems of organization, research, and research management are scattered and duplicative while labor distribution and coordination are lacking and the establishment of targeted scientific sectors and leading cadre contingents has not been emphasized.

Centralized and unified leadership is not available. Investments in social science and theoretical research are too small.

In part two of the orientation report, Comrade Nguyen Duc Binh covered the main research tasks and guidelines for theoretical work in the immediate and long-term future in our country.

The duties of theoretical work are to serve the continued renovation of thinking, the establishment of scientific socialist arguments, and the advance to socialism in Vietnam. We must establish the major lines and policies of the party and state to foster the scientific world conception and the revolutionary philosophy of life of Marxism-Leninism and Ho Chi Minh thought for cadres, party members, and the people—especially the younger generations. We must strengthen the battleground of socialist ideology, consolidate belief in ideals, criticize erroneous viewpoints, struggle against the hostile theoretical tides, and contribute to defending the revolutionary cause of the party and the people, the fatherland, and socialism.

The Political Bureau resolution on the duties of theoretical work in the present situation particularly stressed: To continually renovate thinking, summarize in-depth, and develop theory in a creative manner. First of all, we must generally and theoretically recapitulate the basic experiences in renovation in order to prepare for the national party conferences between the two tenures and the Eighth Party Congress. This is the central duty of theoretical work of a few years to come, aiming to further clarify the scientific and practical bases in building a pattern of the advance to socialism in Vietnam.

Theoretical work in the present stage should be directed toward and focused on asserting and clarifying the basic principles of Marxism-Leninism, clarifying those issues to be perceived again. We must continually add, adjust, and develop various issues on the basis of summarizing and generalizing the new practical experiences, the achievements of modern science, and the comprehensive and systematic study of Ho Chi Minh thought while at the same time paying attention to the study of the intellectual quintessence of the nation. We must research other doctrines along the line of objectivity and dialectics, and oppose dogmatism, revisionism, and opportunism of all hues. We should study the historical data of 70 years of realistic socialism, and draw out lessons from the reorganization and collapse of the socialist regime in the Soviet Union and Eastern Europe. We should study the problems of the era concerning modern capitalism, and the issues of international relations, new world order; forecast the trends of development in the world and the region in the forthcoming decades.

As regards domestic issues, we should concentrate on studying in-depth the development and perfection of systems of scientific arguments over the selection of the path to advance to socialism in our country and detect

the trends, rules, contradictions, driving force, forms, and steps of that path of development. In the research projects to serve the strategy of the year 2,000, we must pay special attention to such issues as the multisectoral economy of goods, the socialist guideline, the market mechanism, the state management, anti-inflation, finance, currency, credit, pricing, systems of ownership and distribution, external economic relations, social structures and classes, and class struggle. We must also clarify viewpoints on renovation of the political system.

We should concretize the relations between the party and state and mass organizations.

The orientation report of Comrade Nguyen Duc Binh also elaborated on the renovation of the educational program, scope and method of Marxism-Leninism and Ho Chi Minh thought, aiming to make this doctrine and thought become a leading ideology in the moral life of our society.

Australia**U.S. Reaction to Keating Plan Puzzles Government***BK1206082692 Hong Kong AFP in English 0742 GMT
12 Jun 92*

[Text] Sydney, June 12 (AFP)—The Australian Government is puzzled by reports that senior U.S. officials are working behind the scenes to scuttle Prime Minister Paul Keating's key policy initiative in the Asia-Pacific region.

Australian newspapers published reports from Washington on Friday quoting unnamed U.S. officials criticising Keating's April proposal to try to upgrade the Asia Pacific Economic Co-operation (APEC) grouping to a heads of government summit.

One U.S. official was quoted saying he believed Keating was trying to further his own domestic political agenda with an ill-conceived idea that "came out of the blue."

"This is not a formal proposal by the Australian Government," the official reportedly said. "I think this was just informal soundings by Mr. Keating himself."

"We won't be embracing something where we don't understand all the implications."

Some media interpreted the comments as a blunt warning from Washington to Canberra to go slow with the proposal for an APEC summit.

Others saw them as an attempt to sink the entire Keating proposal.

The U.S. officials were said to be concerned that the sensitivities of the region were not fully understood, expressing the view that it would be "naive" to ignore the issue of the so-called "three Chinas" when considering Keating's proposal.

They also stressed that, as far as the United States was concerned, the 12 APEC members should concentrate solely on economic matters rather than political or security issues and said Keating's plan could not even be considered for some years.

While Keating's office declined to comment on the reports Friday, other government sources made it clear they had a sound understanding of the geography and the sensitivities of the region.

One Canberra official said there was actually little difference between the two sides.

"For instance, they are reportedly saying it would take at least two years to organise such a meeting and we have always said it would take at least two years and possibly three," the official said.

"They are also quoted saying they are concerned about such a meeting becoming involved in questions of politics and security," the official added. "So are we and that

is why we selected APEC as a vehicle because it is an economic forum largely concerned with trade."

"So we don't really see there is much difference between what we are saying and what they are saying. Of course there are bilateral tensions in the region... but we do not see any of the difficulties as being insurmountable."

UN Commander 'Optimistic' on Cambodia Situation*BK1206094892 Melbourne Radio Australia in English
0800 GMT 12 Jun 92*

[From the "International Report" program]

[Text] The peacekeeping operation in Cambodia moves into its crucial second phase tomorrow when United Nations forces begin disarming three of the four Cambodian factions. UN officials are going ahead with the plan despite the refusal of the Khmer Rouge to participate. The Australian officer who heads the 16,000-member UN Peacekeeping Force, Lieutenant General John Sanderson, is optimistic that the Khmer Rouge will eventually decide to cooperate with the operation. Sue Downie sends this report from Phnom Penh:

[Begin recording] [Downie] Gen. Sanderson, who is the UN military commander in Cambodia says he does not believe the UN's \$3.5 billion peacekeeping operation has run off the track. He said the UN will begin disarming the Cambodian soldiers as planned, starting at 8 AM tomorrow despite the fact the Khmer Rouge—the largest of the resistance group—is not cooperating.

Under the original plan, all 200,000 soldiers from the government and three opposition factions were to be cantoned and disarmed, then 70 percent from each faction would be demobilized. The plan has been amended since a last-minute meeting on Wednesday failed to persuade the Khmer Rouge to join this vital second phase, which was to be spread over the next four months. I asked Gen. Sanderson why the UN is going ahead with disarming troops of the government and two noncommunist factions without the Khmer Rouge.

[Sanderson] All the other factions have agreed to cooperate in the phase two ceasefire process. Not only that, we have other requirements to meet the Paris agreement. We have a clear deadline for the elections—the one that is due in May next year. We have got a repatriation program going on. We want to infuse the situation in the countryside in which the people will feel secure.

So, with that in mind, we decided it was best to proceed with the phase two ceasefire, except that it would not be as clear-cut as it would otherwise be.

[Downie] The Khmer Rouge are refusing to cooperate in phase two, because they say the UN must first verify the complete withdrawal of all Vietnamese troops from Cambodia—a condition the UN says it cannot meet. The Khmer Rouge has maintained this stance for several weeks and over that time numerous meetings in Phnom

Penh, Bangkok, and even New York have failed to persuade them otherwise. However, Gen. Sanderson believed the Khmer Rouge leaders represented by Khieu Samphan and Son Sann may change their minds in joining the peacekeeping operations.

I asked the general what he believes are the chances of the Khmer Rouge changing their position in cooperating in this peacekeeping mission.

[Sanderson] I think it will be quite good. The Khmer Rouge are signatories to the Paris Agreement and when I speak to them, they are quite clearly looking for a peaceful and prosperous Cambodia. I think eventually they will see they are impeding that and indeed, they are (?turning to help out) commitment of the international community to the rehabilitation and reconstruction of Cambodia. Now, that is a pretty awesome [words indistinct].

[Downie] Gen. Sanderson says compared with other peacekeeping operations around the world, the Cambodian mission is in, what he calls, pretty good shape. He says the other factions are cooperating and the Khmer Rouge still say they are committed to the Paris peace agreement although they express fundamental differences about the interpretation of that agreement.

If these differences can be resolved over the next weeks, the Cambodian peacekeeping operation can proceed as planned. [end recording]

Evans on UN Plan for Sarajevo, Airport Reopening

BK1006094892 Hong Kong AFP in English 0421 GMT 10 Jun 92

[Text] Canberra, June 10 (AFP)—Australia has backed the United Nations plan to try to relieve Sarajevo, but Foreign Minister Gareth Evans said Wednesday that sending troops to try to reopen the airport would not "solve anything".

Evans said the whole international community wanted something done fast to relieve the disastrous situation in the besieged capital of Bosnia-Herzegovina.

"But to put a thousand troops in there, only to be shelled from positions on the hills around, is not going to solve anything," he said in a radio interview.

He said the capacity of the United Nations to mount a full scale military exercise "to remove that particular source of attack" would not be easy.

The difficulty in obtaining peace was that the Yugoslavian conflict had been "sprawling in all directions" and it could not be assumed it would remain centred in Bosnia-Herzegovina.

"I think there are obviously very severe constraints on a full scale peace enforcement exercise being mounted," he added.

"The quagmire factor is really something that's weighing very heavily on European and U.N. decision makers.

Australia, which has a large Yugoslav immigrant population, has backed previous U.N.-sponsored ceasefires which have been repeatedly violated by the warring communities of Serbs, Croats and Moslems.

A 14,000-member U.N. Protection Force (UNPROFOR) is already in the former federation of Yugoslavia, deployed mainly in three heavily Serb-populated areas of Croatia.

Fiji

Rabuka Begins Review of Constitution, Labor Laws

BK1106065292 Melbourne Radio Australia in English 0500 GMT 11 Jun 92

[Text] Fiji's new prime minister, Major General Sitiveni Rabuka, is making good his promise to review the country's Constitution and labor laws. Fiji's Information Ministry has announced that Gen. Rabuka has begun moves to review the Constitution implemented in 1990 to give Fijians control of the country's government.

The views of the Constitution and the country's strict laws affecting trade unions were promised as part of the deal between Gen. Rabuka and the Fiji Labor Party in return for the Labor Party's support for the general becoming prime minister. Among other sensitive issues, the prime minister has promised to review as part of the deal are a proposed value added tax and the Agricultural Landlords and Tenants Act. The value added tax was due to be implemented from 1 July, but it has been met with strong opposition from a wide range of groups, including Fijians, ethnic Indians, and trade unionists.